

The great space adventure: what's in it for planet Earth?

Part Three of 'The Universal Question', Section Two

Play Formula 1 Dream Team

Sports Section, page 7

Free
F1 Racing
Magazine
inside

Peres declares war on Hamas after 18 are killed to leave Middle East deal on brink Jerusalem bomb blasts peace plan

PATRICK COCKBURN

Jerusalem

A suicide bomber from the militant Islamic movement, Hamas, yesterday detonated 30 pounds of explosives aboard a bus in centre of Jerusalem, killing 18 other passengers. The attack may have struck a fatal blow to the government of Shimon Peres, the Israeli prime minister, and to peace negotiations between Israel and the Palestinians.

"I've had it with the peace process," said a shopkeeper looking at the wreckage of bus number 18 on Jerusalem's Jaffa road. "We gave the Palestinians what they said they

"I doubt the Israeli people will tolerate the continuance of peace with people who are either unwilling or unable to stop the killers."

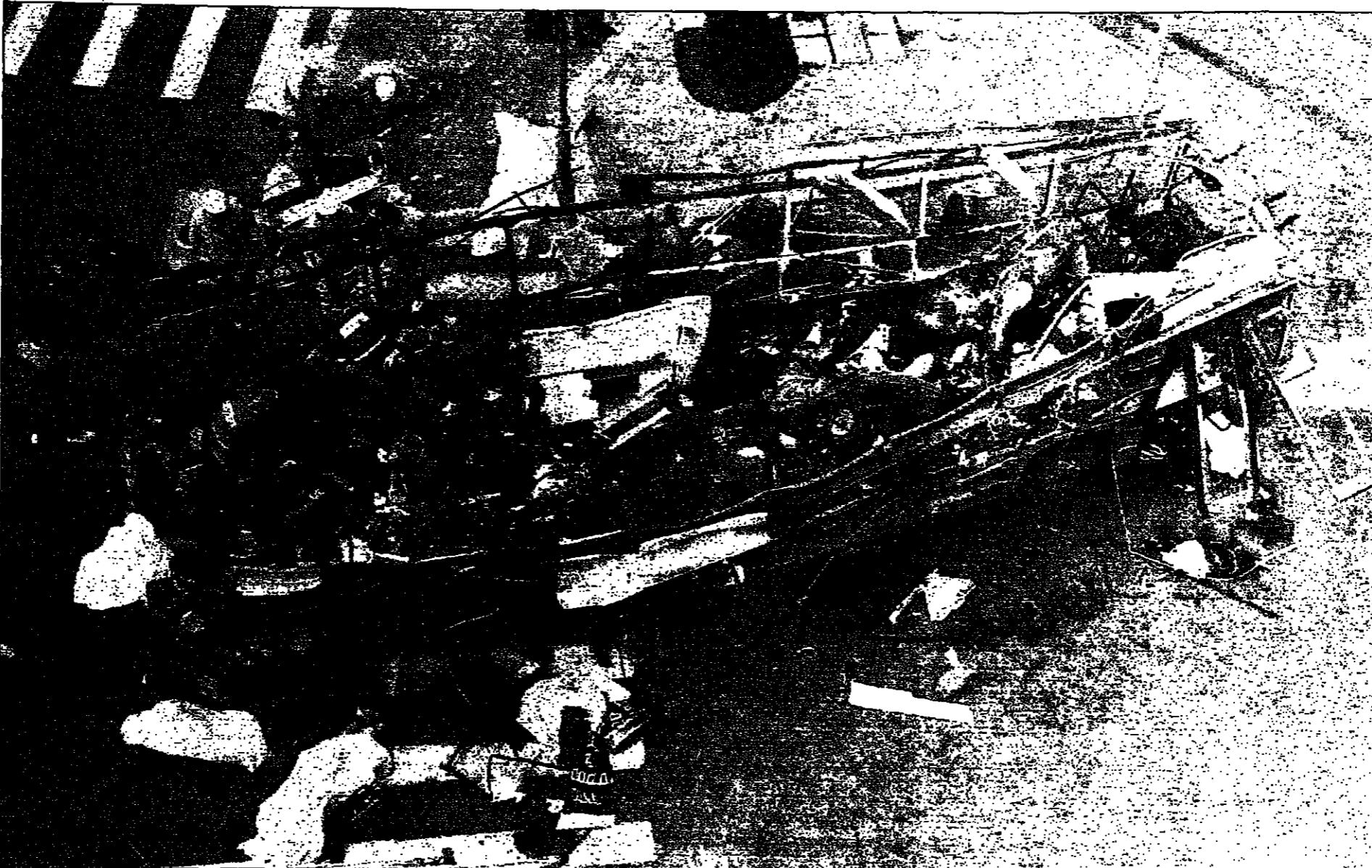
— Ehud Olmert,
Jerusalem's Mayor

wanted and now we have 47 dead in one week." President Ezer Weizman called on the government to halt its talks with the Palestinians.

The suicide bombing, by a Palestinian tentatively named as Islam Mohammed, 24, from Hebron, south of Jerusalem — was a carbon copy of that which took place on a bus with the same number, also on Jaffa Road, exactly a week before. The time of the explosion, at 6.25am, was only 20 minutes earlier than the first bomb.

It ripped through the red-and-white bus just as it passed the central post office. Only the burnt-out metal framework of the bus was left. A body was left under a white sheet; as 10 wounded were rushed to hospital. Crowds shouted "do something, do something" and "Peres get out". The prime minister was seen when he visited the site of the explosion.

Hamas claimed responsibility for the bombing in a state-



Emergency workers search the charred remains of the bus destroyed by a Hamas suicide bomber armed with 30lbs of explosives

Photograph: David Silverman/Reuters

ment to the Israeli people, saying: "We tell you calmly that neither Labour nor Likud will offer you security as long as your government uses terrorism against us and continues to arrest our people. The closure and all security measures will not prevent us from striking whenever and wherever we can."

It appears from the statement that Hamas is now split between

those who support the suicide bombing and those who believe it could destroy the Islamic movement. It says that yesterday's bomb was the attack in revenge for the assassination of Yahya Ayyash, the chief Hamas bomb-maker, killed by a booby-trapped telephone on 5 January.

Yasser Arafat, the Palestinian President, has declared the

military wings of Hamas and Islamic Jihad illegal. He said the attack was mounted "not just against Israel but against the Palestinians and the peace process".

After a cabinet meeting yesterday, Mr Peres announced an all-out war on Hamas, with measures to include \$100m spent on building fences between Palestinians and Jews

and punishment of the families of bombers. He said: "We all agree to topple this organisation. We will not shy from any measure. We decided to give this war the highest and most unequivocal priority — all that we have in men, ideas and means."

It is difficult to see, however, why these measures should prove effective. The suicide

bombers require minimal equipment, training or organisation. The bomber yesterday could have walked in just five minutes from Palestinian areas in east Jerusalem to a bus stop at the beginning of the Jaffa Road and exploded his device — which was packed in nails — a single stop later. Among those who died were six Romanian workers and two Palestinians.

Mr Peres was already in deep political trouble after bombs in Jerusalem and Ashkelon last week killed 25 Israelis. His 10 per cent lead in the polls, which was expected to produce a landslide in the election on 29 May, was wiped out overnight. There is also no doubt that many Israelis feel that he did not do enough to improve security in the week between the bombs.

The attack yesterday was geared to show Israelis that the suicide bomber will always get through. The number 18 bus was carrying a security guard for the first time. The roads from the West Bank into Jerusalem were closed to Palestinians. Helicopters fly permanently overhead in Jerusalem. None the less, the attack succeeded.

Binjamin Netanyahu, the leader of the opposition Likud party, who may well be the next Israeli prime minister, yesterday proposed sending troops into Palestinian-ruled areas and deporting ringleaders. The government did not rule this out, but believes such a strategy is likely to produce more, rather than fewer suicide attacks.

NHS to sue official over 'irregular' deal

NICHOLAS TIMMINS
Public Policy Editor

A regional health authority is considering legal action against a top NHS executive seeking the return of an irregular payment of thousands of pounds made on his behalf when he was its general manager.

The relocation payment to Keith McLean, currently the chief executive of the Trent region, was one of 17 totalling £450,000 that were declared outside the health authority's powers by Sir John Bourn, the

Comptroller and Auditor General, the public spending watchdog. Last year he qualified the NHS accounts over the money, saying he took "a serious view" of the issue.

His decision led Alan Langlands, the NHS chief executive, to order an inquiry and seek recovery of the payments, telling the Northern and Yorkshire region to take disciplinary action if appropriate.

To date, one manager, David Martin, the former Yorkshire region's assistant general manager, has been reprimanded

for not taking independent legal advice. He has paid back around £20,000 advanced on his behalf to help buy out the negative equity on his home when he moved to the region.

But three other managers, including Mr McLean, 36, and 13 doctors have so far failed to return similar payments which Sir John dubbed "irregular" and which Mr McLean said in his case involved around £15,000.

The Northern and Yorkshire region of the NHS — the successor body to the old Yorkshire region whose accounts Sir John

qualified — said at the weekend that it was still pursuing recovery of the sums, and was now considering legal action in the outstanding cases.

Mr McLean said he would "see them in court", stating he did not plan to return a payment which he had received in good faith. The British Medical Association said the consultants involved were not returning their payments on similar grounds.

The collapse in the housing market left the NHS facing interest on bridging loans on houses whose values were

falling. Mr McLean said. The health authority decided to resolve by one-off payments to help buy out the negative equity in the homes. In his case, he said, he received about £15,000 but still took a £30,000 loss as part of the deal. It was those payments that Sir John ruled *ultra vires*.

The decision was approved during a section of a regional health authority meeting from which he excluded himself. Mr McLean said. He added that he had not been disciplined over the payment and would not be, the

Department of Health confirming that the region had decided to impose disciplinary action against him would be "inappropriate".

Mr McLean is leaving his post at the end of the month when Trent, along with the other regions, becomes an office of the NHS Executive. He is to become a research fellow in health care management at Sheffield University, but, he said, "I have not been sacked."

The NHS inquiry into the former Yorkshire region has been passed to the National Audit Office.

Mr Peres was already in deep political trouble after bombs in

Jerusalem and Ashkelon last

week killed 25 Israelis. His

10 per cent lead in the polls, which was expected to produce a landslide in the election on 29 May, was wiped out overnight. There is also no doubt that many Israelis feel that he did not do enough to improve security in the week between the bombs.

Gay groups to fight forces ban

COLIN BROWN
Chief Political Correspondent

Gay rights activists last night warned the Ministry of Defence they would be going ahead with a legal challenge after Defence Secretary Michael Portillo announced the ban on gays in the armed services will stay.

Mr Portillo said the results of a survey of the armed forces to be released today by the MoD showed overwhelming support for the ban on gays to be kept. There will be no compromise between line troops and support services.

Stonewall, the gay rights campaign group, said it would be challenging the legal basis of the ban on gays in the services within the next six weeks with an appeal to the House of Lords.

Four gay ex-service people — former Lieutenant Commander Duncan Lustig-Prean, 36, ex-RAF Sergeant Graeme Grady, 32, ex-RAF nurse Jeanette Smith, 28, and former navy weapons engineer John Beckett, 25, are to apply for leave to go to the House of Lords. If they fail in their bid, they will go immediately to the European Court of Human Rights in Strasbourg.

Three Appeal Court judges ruled last November that the automatic ban on gays in the armed forces would be bad for discipline and morale according to the vast majority of servicemen.

The gay rights activists dismissed the MoD survey as biased and unfair. "If you ask them whether male and female homosexuality are equally abhorrent, you are bound to get



Michael Portillo: Lifting ban would be 'bad for morale'

a skewed result," said a spokeswoman for Stonewall.

Mr Portillo said lifting the ban on gays in the armed forces would be bad for discipline and morale according to the vast majority of servicemen.

The results of the MoD's long-awaited review of homosexuals in the military will come as a relief to service chiefs who have been fighting to prevent any relaxation of the ban.

Loyalists warn of reprisals

DAVID MCKITTRICK
and COLIN BROWN

The shadow of a loyalist gunman yesterday fell across the political talks which are due to get under way at Stormont near Belfast today, with ominous signs of strain within the ranks of extreme Protestant groups.

The weekend brought indications that, while loyalist paramilitary leaders do not favour a return to violence, dissent and dissatisfaction may be growing, particularly in the illegal Ulster Volunteer Force.

Northern Ireland at the moment appears poised precariously between peace and war, with no IRA ceasefire in effect but, for the moment at least, no bombs going off. A resurgence of loyalist violence would deal

a potentially fatal blow to the continuing delicate efforts to build a peace settlement.

The Stormont talks have laid down that, because the IRA is not observing a ceasefire, Sinn Féin may only meet officials and not ministers. Other parties will become involved at later

TURN TO PAGE 2
The Government has laid down that, because the IRA is not observing a ceasefire, Sinn Féin may only meet officials and not ministers. Other parties will become involved at later

MISS OUT ON THE CHANCE TO MAKE THE MOST OF YOUR TAX-FREE OPPORTUNITIES BEFORE THE END OF THE TAX YEAR, AND THE JOKE MIGHT BE ON YOU.

SAVING TAX-FREE MEANS THAT YOU COULD IMPROVE YOUR RETURNS BY GIVING LESS TO THE TAXMAN.

FOR DETAILS OF OUR FULL RANGE OF TESSAS, PEPs AND PENSIONS ALL YOU NEED TO DO IS CALL INTO YOUR LOCAL BRANCH.

THE HABIT OF A LIFETIME

The value of tax relief depends on your personal financial circumstances and may be affected by future changes in legislation. TESSAs and PEPs are subject to statutory rules and regulations which may change from time to time. Pension products are provided by Abbey National Life which is regulated by the Personal Investment Authority. PEP products are managed by Abbey National Unit Trust Manager Ltd. Abbey National, the Umbrella Couple symbol and The habit of a lifetime are trademarks of Abbey National plc, Abbey House, Baker Street, London NW1 6NL. United Kingdom. 0171 612 4000.

ABBEY NATIONAL PLC, WHICH IS REGULATED BY THE PERSONAL INVESTMENT AUTHORITY, ONLY SELLS ITS OWN LIFE ASSURANCE, PENSION AND UNIT TRUST PRODUCTS.

IN BRIEF

Blair faces backlash

Tony Blair was facing a backlash from MPs after ordering his Shadow Welsh Secretary to apologise for criticising the Prince of Wales.

Page 3

Spanish poll claim

The conservative Popular Party claimed victory in Spain's general elections.

Page 10

Hong Kong help

John Major is due to announce that two million more Hong Kong residents will be able to visit Britain without visas after the 1997 handover.

Page 2

Today's weather

There will be scattered rain, a lot of cloud and some sun.

Section Two, page 25

9 770951 946412 10

Gay groups to fight forces ban

COLIN BROWN
Chief Political Correspondent

Gay rights activists last night warned the Ministry of Defence they would be going ahead with a legal challenge after Defence Secretary Michael Portillo announced the ban on gays in the armed services will stay.

Mr Portillo said the results of a survey of the armed forces to be released today by the MoD showed overwhelming support for the ban on gays to be kept. There will be no compromise between line troops and support services.

Stonewall, the gay rights campaign group, said it would be challenging the legal basis of the ban on gays in the services within the next six weeks with an appeal to the House of Lords.

Michael Portillo: Lifting ban would be 'bad for morale'

Michael Portillo: Lifting ban would be 'bad for morale'

Four gay ex-service people — former Lieutenant Commander Duncan Lustig-Prean, 36, ex-RAF Sergeant Graeme Grady, 32, ex-RAF nurse Jeanette Smith, 28, and former navy weapons engineer John Beckett, 25, are to apply for leave to go to the House of Lords. If they fail in their bid, they will go immediately to the European Court of Human Rights in Strasbourg.

Three Appeal Court judges ruled last November that the automatic ban on gays in the armed forces would be bad for discipline and morale according to the vast majority of servicemen.

The gay rights activists dismissed the MoD survey as biased and unfair. "If you ask them whether male and female homosexuality are equally abhorrent, you are bound to get a skewed result," said a spokeswoman for Stonewall.

Loyalists warn of reprisals

DAVID MCKITTRICK
and COLIN BROWN

The shadow of a loyalist gunman yesterday fell across the political talks which are due to get under way at Stormont near Belfast today, with ominous signs of strain within the ranks of extreme Protestant groups.

The weekend brought indications that, while loyalist paramilitary leaders do not favour a return to violence, dissent and dissatisfaction may be growing, particularly in the illegal Ulster Volunteer Force.

Northern Ireland at the moment appears poised precariously between peace and war, with no IRA ceasefire in effect but, for the moment at least, no bombs going off. A resurgence of loyalist violence would deal

section ONE

BUSINESS 14-18 COMMENT 12,13 ESSAY 1,11 GAZETTE 14

LAW SUMMARIES 14 LEADING ARTICLES 12 LETTERS 12

NEWS 2-10 OBITUARIES 14 SHARES 25

section TWO

ARTICLES 22,23 CHESS 26 CROSSWORD 26

JULIE MYERSON 7 LISTINGS 24,25 NETWORK 9-20

TELEVISION & RADIO 27,28 WEATHER 25

news

Countdown to 1997: Prime Minister tries to silence colony's critics by lifting restrictions on two million citizens

Major offers visa deal for Hong Kong

DONALD MACINTYRE
Hong Kong

John Major last night strongly rejected charges that he was abandoning Hong Kong to its fate as he prepared to announce today that another two million Hong Kong residents will be able to visit Britain without visas after the colony's handover in 1997.

The Prime Minister, who faces sharp criticism from liberals when he meets members of the 60 strong Legislative committee today, will announce

that the two million Hong Kong Chinese who will hold non-British "special autonomous region" passports after the handover will not require a visa to come to Britain.

The move, which will be widely welcomed in Hong Kong as well as in Peking, has been urged on ministers by the Hong Kong governor, Chris Patten. It is expected to lead to other countries granting visa free access to special passport holders and is likely to be taken up by no more than 13,000 Hong Kong citizens a year. The re-

moval of the visa restriction gives no right of residence and there is little evidence of Hong Kong citizens using visits to Britain as a back door route to illegal immigration.

Mr Major, speaking at a dinner for 150 of the colony's elite last night, took issue with criticisms voiced yesterday by Martin Lee, a member of LegCo and chairman of the Democratic Party, that Britain was failing "to fight for the territory's institutions" and avoiding a confrontation with China.

Mr Lee said in an article in

The South China Morning Post that Mr Major had "agreed to disagree" with the Chinese Premier Li Peng at their meeting last week over Peking's refusal to keep Hong Kong's Bill of Rights and elected legislative committee after 1997.

The Prime Minister told the dinner last night that it was not true that Britain was "putting Hong Kong" to the back of the cupboard" and added: "We just didn't agree to disagree. We just disagreed." Mr Major said the government would continue to press Peking for full imple-

mentation of the 1984 Joint Declaration which embodies democratic principles and the UN Convention of Human Rights.

In his address to the legislature, Mr Major will seek to reassure Hong Kong that Britain will not cut it adrift when the take-over occurs.

Mr Patten told reporters that the Prime Minister would underline Britain's continued commitment to Hong Kong after the handover and added: "For Britain there is no greater commercial interest in East Asia than the continued success

of Hong Kong. And that commercial success is directly related to Hong Kong's decency and openness as a free and plural society under the rule of law."

Undermine the rule of law and Hong Kong's civil liberties and Hong Kong becomes a less successful centre and therefore Britain's commercial interests suffer as well as the quality of life in Hong Kong."

While declining to confirm that Mr Major would lift the visa restrictions today, Mr Patten pointed out that without their being lifted there was a danger

Patten keeps option open on leadership

DONALD MACINTYRE
Hong Kong

Chris Patten, the former Tory party chairman, yesterday fuelled speculation that he could be a future candidate for the party leadership by conspicuously refusing to rule out a return to British politics after he steps down as the last Governor of Hong Kong at the end of June 1997.

In remarks which will be interpreted as preparing the ground for a possible comeback, he told British political reporters here: "I do not want to speculate about the outcome of the next election or what I would do in certain circumstances. I just make the point... I remain interested in the issues at the centre of debate in Britain and in Europe. How could I not be? I have been professionally involved in politics since I was 21."

Mr Patten, who lost his Bath seat in the 1992 General Election, took care to preface his remarks by saying it would "not be very wise" for him to speculate in his current "non-political role" on the outcome of the election or on a future career in politics. But asked if he could envisage the circumstances in which he might resume his political career, he said: "Yes... certainly. It would be unwise for me to follow that hypothesis too far. I'm not ruling anything in or anything out."

The Governor is believed to

have made it clear to friends that he could well be interested in a British political comeback - whether or not the Tories win an election. When Mr Patten first came to Hong Kong, it was thought more likely that he might seek another post on the international stage - possibly in Europe or further afield.

While that is still possible, if Mr Major - or in the event of a defeat another leader congenial to Mr Patten - were at the head of the party, Mr Patten could well contemplate a return. And if the party were defeated in an election which did not take place until the Spring of 1997, Mr Major would only have to remain in office for a few months as leader before standing down for Mr Patten to get

Mr Patten is conventionally thought to be well on the left of the party, but he started some former colleagues last year by making a speech in London, in turn with some right-wing thinking, in which he said that Britain might need a radical rethink of its public spending and should contemplate a "shrinking state" to compete with developing Asian economies.

Mr Patten is also said by some of his friends to have come to the view that enlargement is a much higher priority for Europe than further integration, and that it is highly unlikely that a single currency could be achieved by the starting date of 1 January 1999 without an unacceptable waiving of the strict Maastricht criteria.

Such a view might well make him more acceptable to the Euro-sceptics than he was when he left London. Nevertheless, since Mr Patten would not be acceptable to the party's hard right-wing, his prospects could well depend on the factional composition of the parliamentary party after the next general election.

Chris Patten: Refuses to rule out political role



John Major meeting Chinese building workers at Hong Kong's Chep Lak Kok airport

IRA 'exploiting crime gangs'

JASON BENNETTO
Crime Correspondent

The IRA has secretly infiltrated the criminal underworld in Britain and is using its contacts to obtain equipment to carry out the current bombing campaign. anti-terrorist sources have disclosed.

Professional gangs are unknowingly supplying firearms, stolen vehicles, and forged identification papers to the terror organisation. But there is evidence of a growing backlash among the criminal fraternity who are furious at being "exploited" by the IRA.

The police and MI5 are hoping this new trend could help them identify IRA units and operatives working in Britain.

Bruton accused over Scott vote

ALAN MURDOCH
Dublin

The Taoiseach John Bruton will face stiff questioning in the Dail this week over allegations that he made a direct but unsuccessful attempt to help John Major in last Monday's vote on the Scott report.

It was claimed in Irish newspapers at the weekend that Mr Bruton, in an effort to sustain the Anglo-Irish all-party talks initiative unveiled last Wednesday, went as far as to ring the

SDLP leader John Hume hours before the Commons vote to urge his party to abstain.

Mr Bruton, who was in Bangkok for the Europe-Asia summit, did not deny the allegation. A spokesman for the Taoiseach had many confidential conversations in efforts to secure agreement on a date for all-party talks. But he insisted "the nature of these conversations remains confidential."

There was weekend speculation in Dublin that Mr Bruton had promised to help Mr

Hume during a series of lengthy telephone conversations in the days preceding the Scott vote. This was said to have come at a time when Ulster Unionist support for the Government was evaporating and as London edged towards finally agreeing a firm date for all-party negotiations, strongly urged by Stan Fein as the price required to reinstate the IRA ceasefire.

Yesterday, Bertie Ahern, leader of the Fianna Fail opposition in the Dail, said: "It is not the function of the Irish go-

ernment to act as a party whip" in a vote on "an internal British matter." If the Taoiseach had done so, he had acted "improperly," Mr Ahern said.

While John Hume would neither confirm nor deny the report, SDLP sources indicated that despite the alleged Bruton move there was never any question that they would not oppose the Government on the Scott vote.

Asked if his silence might be taken as confirming the reports, Mr Hume reportedly replied: "So be it."

Loyalist ceasefire warning

FROM FRONT PAGE
stages in the talks, which are to cover what type of election should be held, whether it should be accompanied by a referendum, and on working out arrangements for the main all-party talks which are to begin on 10 June.

An intelligence source said: "We know the IRA has infiltrated the criminal infrastructure on the mainland and has been making good use of it for some time. This is obviously an area we are exploring." A different police source said: "They are exploiting the criminal-support mechanism."

Intelligence officers believe that apart from hatred of the IRA's tactics, criminals have a more practical interest in exposing suspected terrorists - they do not want the extra attention of MI5 and anti-terrorist officers that contact with the republicans brings.

This is a new trend, traditionally, IRA units have been

Leeson 'cashed in with tip-offs to rival traders'

STEVE BOGGAN
Chief Reporter

Singaporean investigations are examining evidence that suggests Nick Leeson may have made millions of pounds by tipping off rivals about his rogue deals.

Sources in the Far East said Leeson has been questioned in prison over "several leads" indicating that he made a killing on his losses by advising other brokers to take opposite trading positions from his own.

They have already identified one New York trader who made \$700,000 on just one deal.

The investigators said yesterday that they were "skeptically curious" about a report that Leeson had saluted away £23m in six German bank accounts before Barings collapsed with £850m losses. But they said he had never ruled out the possibility he benefited from the bank's collapse.

Leeson's family and his lawyer rejected *The Sunday Times* report which said a firm of US "asset hunters" had traced six bank accounts in Frankfurt, Berlin and Munich to which Leeson was a signatory. However, Ernst & Young, Bar-

ings' administrators, and Price Waterhouse, the liquidators in Singapore, said they were keeping an open mind.

According to the newspaper, the asset hunters produced a report, "Project Kestrel," which said Leeson was a sole signatory on one of the accounts and that two were in his name. It alleged they were set up by a number of German companies linked to Indonesian interests.

But it fails to name the asset hunters, the companies, any co-signatories or the banks.

One Singaporean source said: "There have been many reports like this from American bounty hunters claiming to know where the Leeson missing millions are. So far, we have been tipped off about secret assets in Malaysia, South Africa and Zurich but when we check, there is nothing there."

"However, we have not ruled out the possibility he did gain from the losses by informing other traders to take opposite positions."

If Leeson did make money from linking up with an opposing trader, the Singaporeans said they would be surprised if he then deposited it in German banks using his own name.

THE INDEPENDENT ABROAD

Austria ... Sch40 N'Ilands ... £5.00

Belgium ... BP80 Italy ... £4.50

Canaries ... PS300 Malta ... £3.50

Cyprus ... £21.20 Malta ... 43 cents

Denmark ... Dkr18 Norway ... 18.20

Irish Rep ... £1.45 Portugal ... £1.25

France ... F4.5 Spain ... PS3.00

Germany ... DM4.5 Sweden ... SEK4.00

Greece ... Dr150 Switzerland ... Sfr4.00

Luxembourg ... LP80 USA ... \$3.00

OVERSEAS SUBSCRIPTIONS

For rates, 13 weekly Europe £110.76, Zone 1 (Middle East, Africa, Asia and India) £184.05, Zone 2 (Far East and Americas) £205.70. To order, please send cheque payable to *Independent Media Services Ltd* to 43 Macdonald, London E14 9TR, or telephone 0171 588 8289. Credit cards welcome.

BACK ISSUES

Back issues of *The Independent* are available from *Horizon Newspapers*, Westgate 0898 402455.

SAVE

Over £50 a month* for two years when you switch your mortgage through Colonial Direct at 5.49% (APR 5.71)

compared to what you would pay on the lender's variable base rate

FREE legal option FREE valuation NO arrangement fee*

*Fee free includes free valuation, no arrangement fee as part of the exclusive offer. This assumes that you are taking the free legal option using the solicitor recommended by the lender and that there are no redemption charges on your existing mortgage and the property is located in England or Wales. On a standard £250,000 mortgage over 25 years £3000 on a property valued at £100,000, with nominal interest rate 5.49% and gross monthly payment £270.50 net monthly payment £257.90 for 300 months from completion. APR = 5.71% after the first 2 years period the interest rate reverts to the lender's standard variable rate less £100. Interest rates may vary at the discretion of the lender. No account of any valuation is taken in this example. Net monthly payments show the benefit of its relet at 15% under the CAFAS system on a £30,000 of the mortgage. The property will be revalued as part of the loan. The Lender will not be liable to pay under any circumstances. All mortgages are subject to status and valuation. Written quotations are available upon request. If you redeem your mortgage within the first 3 years, a charge equivalent to 5% of the amount redeemed early becomes payable. The mortgage is fully portable and no charge is made if you move home and use the same mortgage scheme with the lender on the same terms. Rates are correct and funds available at time of printing.

Colonial Direct represents the Colonial Mutual Marketing Group which is regulated by the Personal Investment Authority. You can advise us only on our products. For your added security all telephone calls will be recorded and the recording kept secure. Colonial Direct, Colonial Mutual House, Chatham Maritime, Kent, ME4 4Y

**Colonial
DIRECT**

0800 828 585

Mon - Fri 8am - 8pm

Now we're talking mortgages.

كتابات الأهل

Rock-solid effort as volunteers clean up



Dirty work: Volunteers cleaning oil off rocks at Tenby yesterday as locals joined the operation to tackle pollution from the 'Sea Empress' disaster

JOJO MOYES

Volunteers spent yesterday scrubbing oil from the rocks at Tenby while adults and children prepared to hold a candlelight vigil along the West Wales coastline to express 'grief and abandonment' following the *Sea Empress* oil disaster at Milford Haven.

The cleaning operation began on Saturday and was expected to last all week. By yesterday 70 volunteers, using cleaning materials and overshot donated by Texaco, had managed to tackle a large part of the

badly-hit Tenby beach. Maureen Ward, the mayor of Tenby, who organised the clean-up, said many local people had wanted to do something but had initially been forbidden to help with the oil removal.

"I understand the joint response committee saying 'you can't go there because of insurance and health and safety', but as long as they're all aware that they're doing it at their own risk then I thought we should help," she said yesterday.

"There were no problems at all. A lot of people said it made them feel like they were doing

something. Many people are coming down tomorrow."

Meanwhile, hundreds of people were expected to line the Pembrokeshire coastline from 5pm yesterday in a candlelight vigil for their damaged environment.

Organiser Brigitte Osborne, a French tutor, said the protest was "unofficial and unpatriotic" but aimed at giving people a chance to express their sadness and offer comfort through solidarity.

"It's also about bearing witness to this unthinkable tragedy. Seeing it in pictures or on the television is nothing like actu-

ally witnessing it," she said. "We want to explain to children so nobody forgets. It's still very real for us but already people are feeling so abandoned."

She said people outside the area had not acknowledged the depth of feeling caused in West Wales by the oil disaster. "There is tremendous grief at the loss of not just their livelihood but the damage to the environment. The destruction is just extraordinary," Ms Osborne said.

"I've never done anything like this before but I just witnessed so many people crying and I felt it was a way to give comfort.

People are feeling abandoned by the Government and totally disillusioned. They are saying if it had happened on the South coast then this would be completely different.

Meanwhile, the threat of industrial action at the oil port of Milford Haven has subsided after plans to suspend the pilot at the centre of the *Sea Empress* disaster were apparently withdrawn.

Michael Hyslop, the head of the port authority, denied there had been any plans for suspension.

Labour MP Nick Ainger said that following an attempt to sus-

pend John Pearn, the pilot on the tanker when it ran aground, the port's 12 pilots had threatened to walk out.

"The threat of industrial action was very real until the threat against the pilot was withdrawn," said Mr Ainger yesterday.

"His colleagues reacted and said that if disciplinary action began before the inquiry was completed then they will take industrial action and close the port."

Mr Ainger, MP for Pembrokeshire, said there was little confidence in the inquiry as it was not considered independent.

COLIN BROWN
Chief Political Correspondent

Tony Blair was facing a backlash from Labour MPs after ordering an apology to Prince Charles from his Shadow Welsh Secretary over criticism of the Prince of Wales.

MPs urged the Labour leader to allow an open debate on the monarchy following the abject apology issued by Ron Davies for saying Prince Charles was not fit to be King.

The appeals for a debate about a republic were joined by a senior Tory backbencher who called for a "Grand Remonstrance" to tell the Royal Family its behaviour was "demeaning".

The former diplomat George Walden, Tory MP for Buckingham, broke ranks to come to the aid of Mr Davies. In an astonishing side-swipe at the Prime Minister, Mr Walden accused John Major of "low-life politics", for leading demands that Mr Blair sack Mr Davies.

"When you think of all these sordid money deals, when you think of all these blabbing lovers, these duchesses and princesses – are we supposed to defer to these people?" Mr Walden asked.

"I think it would be very nice – in an ideal world – if the Government and Opposition could get together and send a message from the House of Commons to the Royal Family – a Grand Remonstrance, suitably delicately phrased – that you are actually demeaning yourselves and this country," Mr Walden said.

He said the Prime Minister's call for Mr Davies to be sacked was "deeply undignified and silly. I think it is an example of low-life politics with which people out there are becoming increasingly disillusioned."

Sources close to the Labour leader denied Mr Blair was trying to stifle debate about the Monarchy. "Ron apologised

because he made some personal comments about the Prince of Wales talking to vegetables, and allowing his children to kill wild animals, which were thought not really appropriate," a Labour source said.

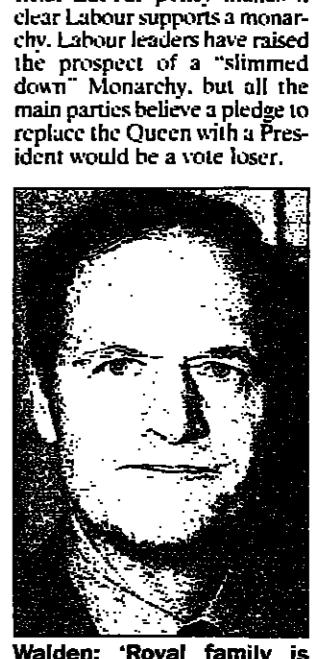
Nick Ainger, Labour MP for Pembrokeshire, said the future of the Royal Family should not only be debated by Labour's hard left, but by the whole country.

"We seem to be afraid of tackling these issues. It is quite fundamental to our constitution whether the head of state should be elected or they should be appointed on a hereditary principle," he said.

Paul Flynn, MP for Newport West, said the job should not be left to "the accidents of birth".

Llewellyn Smith, Labour MP for Blaenau Gwent, said: "People increasingly see that it is indeed an anachronism."

Senior Labour Party figures close to Mr Blair privately admit they are republicans, but official Labour policy makes it clear Labour supports a monarchy. Labour leaders have raised the prospect of a "slimmed down" Monarchy, but all the main parties believe a pledge to replace the Queen with a President would be a vote loser.



Walden: 'Royal family is demeaning the country'

Blair faces backlash over royal apology

Fraud inquiry after arrest of Royal Academy official

REBECCA FOWLER

A fraud inquiry has been launched into the finances of the Royal Academy, the 228-year-old home of Britain's greatest artists, which has a turnover of £14m a year, following the arrest of Trevor Clark, the bursar.

Mr Clark, 43, who was arrested and released on bail three weeks ago, has been questioned by Scotland Yard over allegations of theft spanning five years. A High Court writ for fraud has also been issued against him by the Academy.

The Academy, whose prestigious membership is made up of 80 academics, painters, engravers and sculptors, attracts hundreds of thousands of

visitors each year. But it has no public subsidy, relying on income from exhibitions, and occasional sales of its treasures, to survive.

A Scotland Yard spokeswoman confirmed yesterday that an investigation was taking place. "We are investigating the alleged theft of an amount of money from between 1991 and 1995, reported to the police on 24 January," she said.

The Academy dismissed reports that the sum being investigated ran into hundreds of thousands of pounds as "speculation." Piers Rodgers, secretary of the Academy, said: "We picked up irregularities in the course of our normal checks into the accounts, and we are

currently undertaking our own investigation, separately from the police."

He added: "It's very upsetting for everyone. The Academy is a small group of people who know each other pretty well. But none of this is going to affect the programme of the Academy in any way at all, and we hope to recover any funds that have been lost."

The police inquiry is expected to concentrate on the Academy's main trading account for exhibitions. In the last five years it has had some of its most successful shows, including a Monet exhibition in 1991, and a major exhibition of African art last year, which drew in almost 1 million people between them.

Mr Clark, who took on the position of bursar in 1979, was reportedly unavailable to comment on the inquiry last weekend at his Herefordshire home. "There may be a time when I can put my side, but until my solicitors allow me to, I won't," he is understood to have said.

Last year's financial figures for the Academy are not available, but are understood to be "very much better" than the accounts for the previous year, when the Academy lost £647,000, even though attendances were up.

The loss was attributed to a fall in corporate sponsorship, and Mr Rodgers said it was not connected to the alleged fraud.

Tape reveals Macmillan's agony over destroying wife's love letters

COLIN BROWN

The existence of a tape recording of Harold Macmillan and Bob Boothby discussing Boothby's affair with Macmillan's wife, Lady Dorothy, has been disclosed by a former Conservative MP.

The tape recording was made accidentally by Boothby's wife. In it, the former prime minister and her husband discuss Lady Dorothy Macmillan, who had a child by Boothby.

Macmillan later awarded a peerage to Baroness Thatcher, describes in the recording how he destroyed Boothby's love letters to his wife after her death. His evidence was uncovered by Robert Rhodes James, the former MP for Cambridge and a distinguished writer, when he was researching his biography of Boothby.

"I have heard the recording and it's rather an eerie thing. Macmillan describes how he destroyed Bob's letters to Dorothy," Mr Rhodes James says in a BBC 2 documentary on the Macmillans' marriage, which was torn by the affair.



Harold Macmillan with his wife, Lady Dorothy, and (right) her lover, Bob Boothby

"He had an outside incinerator and he didn't know how to work it. He piled all the letters in the incinerator and the wind got up. Suddenly, the letters were flying all round the garden, and he was chasing them," Mr Rhodes James said.

"One has this picture of this retired statesman rushing around and trying to capture and burn the letters of his wife's lover."

Macmillan's last words on the tape were "And so it all ended ...". Boothby then added: "And so it ended." Macmillan outlived Lady Dorothy, who was the daughter of the Duke of Devonshire, by 20 years.

It suggests he might never have risen to the leadership if the affair had not happened. The programme also portrays Macmillan as a scheming liar when he prevented Rab Butler from winning the Tory party leadership. The picture is at odds with his affable "never-had-it-so-good" image.

From just £30 the RAC covers you in any car.

From just £30 for a full 12 months' cover, no one offers you more security on the road than the RAC.

■ RAC Rescue covers you, not your car. So now you can call on us whenever you need fast roadside assistance, even when you're simply a passenger in someone else's car.

■ Roadside Rescue. In more than 8 out of 10 cases, our patrols can fix cars on the spot. Otherwise, they'll tow you to a nearby garage, free of charge.

■ Accident Service. A replacement car, free legal advice, plus we'll deal with your insurers.

■ Theft and Vandalism Cover. If your car's stolen or can't be driven because of vandalism, we'll remove it to a nearby garage or secure area.

■ Battery Assist. A new battery on the spot.

Whatever service you use, callouts and our labour are free – you only pay for parts.

You can also tailor your cover to meet your needs, with the option to take out Joint and Family Cover or add our 'At Home' service.

Don't wait until you break down. Find out how to join the RAC today.

PHONE FREE TODAY ON
0800 029 029
OR INTERNET
<http://www.rac.co.uk/>

AND QUOTE ST1948/3/XX



4 news

Scots taste the high life as ban on salmon 'caviar' is lifted

JOHN ARLIDGE
Scotland Correspondent

A 125-year-old law has been repealed to allow Scottish salmon farmers to start selling their own version of caviar - salmon roe.

The law which forced fish farmers to throw away the eggs their young salmon produce was introduced after pressure from the landed gentry because poachers were using the eggs as bait to catch wild fish from the salmon-rich Tay and Tweed.

As recently as 1994 a supermarket in Edinburgh was ordered to remove tins of Norwegian salmon roe from its shelves after the wife of Scotland's salmon bailiff spotted the illegal goods while shopping. But intense lobbying from an industry which each year sells more than 70,000 tons of fish worth £250m has forced the change.

By August, when salmon begin to produce eggs, fish farmers will process the roe, tin it, and the new British delicacy will take its place alongside the finest Russian Beluga in Harrods, Fortnum and Masons and



Insider trading: the roe that can now be legally sold

delicatessen around the country in time for Christmas. A 250g tin will cost around £12.

Whether Britons will enjoy the new luxury food is unclear.

Salmon farmer Alastair Barge says the roe reminds him of the cod liver oil his mother gave him. But restaurants are already showing interest and Mr Barge

has taken orders from Japan, where consumers eat more than 10,000 tons of roe each year. "So far the market prospects look promising," he said.

William Crowe, chief executive of the Scottish Salmon Growers' Association, agrees. He believes the Scots caviar market could be worth up to £15m a year. "Norwegian and Japanese roe sell widely across the world and, with its good name, Scottish salmon will sell, too," he said.

"It is crazy that it has taken so long for fish farmers, who make the highest quality smoked salmon, to be able to sell this premium by-product."

Salmon-smokers and chefs argue that few people will follow Russian diners and eat the eggs with brown bread and lemon vodka. The roe is more likely to be used as a garnish on fish, shellfish and in salads.

Robert Campbell-Preston, of the Highland Inverawe Smokehouse, said: "Salmon caviar is delicious. Add a good dollop on an oyster and it has a terrific effect." Mr Barge hopes it will do the same for his business.



Clean catch: Fish farm worker Douglas Forrest nets an Atlantic salmon at Loch Fyne

Photographs: Colin McPherson

Insecurity over jobs 'rife in UK workforce'

COLIN BROWN
Chief Political Correspondent

Nearly 9 million people - one in four of the working population - have had a taste of unemployment since the last general election, according to figures issued by the Labour Party. "Job insecurity stalks the land," Gordon Brown, the shadow Chancellor, said.

Mr Brown said the figures showed why the Government has been unable to revive the "feel-good" factor. They were released to pre-empt an upbeat message in a Commons debate on the economy today led by the Chancellor, Kenneth Clarke, who has called the debate to draw attention to the prospects for a revival in the economy and the housing market, with low interest rates and low inflation, highlighted in the *Independent* on Saturday.

But Labour said the analysis by the House of Commons library, using Central Statistical Office figures, showed that job insecurity was rife. The survey used the CSO's computer-based data for the first time. It has tracked a 5 per cent sample of National Insurance numbers since 1982 to show the length between spells of unemployment and the number of times a person has been jobless. The survey shows that one in three men and one in five women suffered at least one period of unemployment since 1992.

A total of 8.7 million people have experienced at least one period of unemployment since 1992. A total of 10 million have suffered unemployment since 1990, when John Major took office. Half of all people who are currently unemployed were in their last job for less than a year. A quarter of all unemployed men have suffered five or more terms of unemployment during

the last 10 years. Mr Brown, who will be presenting the figures today at a Labour conference on women, with Tony Blair, the party leader, said the findings would be the backdrop for the general election.

"Job insecurity is so widespread, the Chancellor cannot claim that the housing market or the consumer market is moving forward in the way that it should be. The extent of job insecurity is going to be a central feature of the general election,"

Misery league

The number of people who have experienced at least one period of unemployment since 1992	
England	4,400,000
Greater London	1,097,200
South East	229,000
South West	705,000
West Midlands	814,500
East Midlands	582,140
Yorkshire and Humber	775,000
North West	1,018,000
North	498,800
Wales	419,600
Scotland	821,240
Great Britain	8,725,100

Source: JUROS Cabinet database, CSO

It is suffered right across all social groups, all professions and manual occupations."

He claimed ministers have been sitting on the data and refusing to release it, because they were embarrassed at the findings. In London, a total of 1.4 million people have experienced at least one period of unemployment since 1992. The figure for the rest of the South East region is an additional 1.3 million. The total for the Northwest has also topped 1 million.

Mr Clarke, meanwhile, is resisting pressure from Eurosceptic Tory MPs to announce a referendum on a single European currency in a government White Paper on 11 March on the inter-governmental conference on the future of Europe.

Thai inquiry over woman's arrest

LOUISE JURY

Authorities in Thailand have started investigating a claim by a 55-year-old British woman who says she had to pay more than £25,000 to Thai police over a trumped-up drugs charge.

British police this week finished taking statements from Shirley Cook, a grandmother from Ealing, West London, who claims she was falsely arrested and beaten up by police in Thailand while on holiday last year. The statements are to be passed via Interpol to the Thai authorities for investigation.

Mrs Cook says she won her freedom after five days in jail only by pleading guilty and paying what the police demanded. She insists she was innocent of possessing any drugs. Her anger at her treatment has been fuelled by the discovery that the actual fine for the offence was just £25.

Both the Foreign Office and Thai officials have promised to investigate.

Mrs Cook said yesterday:

"I'm pleased something seems to be happening at last and they seem to be taking this seriously. I'm hoping that they will get to the bottom of what actually happened so that nobody has to go through what I went through."

Her ordeal began on the last night of a two-week trip with Air-tours, one of Britain's biggest travel firms, to Thailand last November when she and her husband were sitting at a bar in Patong, northern Thailand.

They were arrested and searched at the police station. Police produced a small amount of hashish which they claimed to have found on Mrs Cook.

She spent five days in jail before appearing in court. Mrs Cook returned to Britain to raise the money demanded by police for his wife's release.

Back in Britain Mrs Cook was able to have an entry in her passport translated and realised she had been fined £25. She believes she was framed by the police and should not have had to pay for her freedom.

FreeCall 0500 500 400

Mercury Communications Limited, New Mercury House, 26 Red Lion Square, London WC1R 4HQ.

<http://www.mercury.co.uk>

A MEMBER OF THE CABLE & WIRELESS GROUP

MERCURY
COMMUNICATIONS

When mankind meets machine, Mercury can help.

هذا من الأجمل

news

Schoolboy 'trapped by burden of care'

Court ruling sought over obligation to epileptic mother

PAUL FIELD

There is little to distinguish 10-year-old Sean Benjamin from other boys of his age, except that he spends most of his time outside school nursing an epileptic mother.

Annabel Benjamin, 35, can black out and have a violent fit and Sean is often the only person on hand to help her.

Later this week, his case is expected to be heard in the High Court in an attempt to force Tower Hamlets council to provide assistance. Nicole McIntosh, a solicitor who specialises in community care cases, is seeking a judicial review on behalf of Sean and his mother in order to compel the local authority to assess their needs under the community care and children's legislation. Even if the assessment is carried out, it does not automatically mean help will be provided.

Ms Benjamin has been epileptic since Sean was born and has an average of three fits a day. A fit can leave her unconscious and sometimes she needs to be hospitalised.

She is virtually a prisoner in her own home. Apart from shopping and visits to the DSS and the council, she seldom ventures out, terrified that she will pass out in the street. "No one around here cares," she said. "I have blacked out in the courtyard of the flats and been ignored. Neighbours think I am a freak - I feel totally isolated."

"Sometimes I can sense a fit coming and am able to sit down and take deep breaths. If not, I lose control and find myself waking up in bed. I have bitten my tongue and sometimes soiled the bed. And when I ask Sean how I got there, he tells me he put me into bed."

Annabel, who has a second floor flat in a tower block, is convinced her condition is compounded by stress. For a decade she has been fighting to be re-housed as she is unable to use the lifts and has fallen down the stairs several times.

Another worry is that the school Sean attends is half an hour's walk from the flat. "Fortunately someone takes Sean to school for me but he is often late because he is looking after me. He is very bright but is often distracted at school because he worries about me. It is not fair that a 10-year-old cannot enjoy his childhood because he feels obliged for me. I am proud of him but I feel so guilty."

To ease the burden, their solicitor aims to secure a ground floor flat with warden support. Ms McIntosh said: "I also hope the need for a sitting service for Annabel will be recognised so that Sean can pursue activities outside school."

The legal action is the second to be taken by carers to force a local authority to assess their needs. The first was in January when Ms McIntosh represented another 10-year-old boy who cares for his housebound mother who also suffers fits. Following the hearing an assessment was made. But Ms McIntosh said the case was likely to return to court because the recommendations were unsatisfactory.



Family ties: Annabel Benjamin and her son Sean. 'I am proud of him but I feel so guilty' Photograph: Geraint Lewis

Surgeon with HIV 'no risk'

A surgeon with the HIV virus yesterday said the risk to his patients would be "infinitesimally small" if he was allowed to return to the operating theatre.

Professor George Browning, a leading ear specialist and the United Kingdom's first surgeon publicly known to be HIV-positive, said he was optimistic about being able to return.

"I would be delighted, not just for me but for the patients," said Prof Browning, who said his patients and colleagues supported the move.

An advisory panel was now considering his request, he told BBC Radio Scotland.

He said he had made his request on the basis that with his specialist micro-surgery - mainly carried out with a microscope - there was a very low risk of him infecting a patient, and only an "infinitesimally small" risk of him cutting himself.

He believed the panel would ultimately conclude that the risks were minimal - and could virtually be forgotten.

Starfruit seeds spring to life in restored ponds

NICK SCHOON
Environment Correspondent



A century ago, Britain was still dotted with tens of thousands of small ponds on commons, village greens and roadsides for farm animals to drink from. Their heavily trampled banks were muddy and the water level rose and fell with the rainfall. At the end of summer, there were large areas of dried out mud.

The starfruit was well adapted for coping with the difficult conditions that life on the edge of these ponds presented to water plants. It produced large seeds which either sank to the

bottom or floated, usually to the water's edge. These would only germinate after they have been in dried out mud then re-wetted, but if this did not happen, the seeds would remain viable for decades.

So while the annual plant died out at the end of summer, the specialised seeds could restart the cycle of life when the autumn rains flooded the dried out mud banks. Cattle helped move the seeds from habitat to habitat on their hooves.

Most of these ponds have disappeared now, filled with sed-

The starfruit. Photograph: Peter Wakely/English Nature

iment, trees and scrub because they were no longer needed.

Once fairly common as far north as Yorkshire, the starfruit was restricted to just three ponds by 1990, one in Surrey and two in Buckinghamshire.

But when one pond in the Chilterns was cleaned out and cleared of scrub and trees by local conservationists, the starfruit reappeared in profusion because its seeds were still in the mud and the right condition for their germination was created. This experience has been repeated at a handful of other ponds.

The starfruit gets its name because its small white flowers turn into green fruits which resemble six-pointed stars, each point bearing two seeds. It is no relation to the exotic fruit import now found in your local supermarket.

A committee of wildlife conservationists, academics, government biologists and civil servants has included it on a list of 116 British plant and animal species. A rescue plan has been drawn up for each species because it is rare or rapidly declining.

The starfruit has already been returned to several of its old ponds by the conservation charity, Plantlife, either through restoration work which has reawakened long dormant seeds or by importing the plant.

The committee says it should be returned to at least 10 of its old sites by 2004. It suggests all of its known sites today should become government-designated Sites of Special Scientific Interest, which would give them some measure of protection from development and damage.

The rescue plan, which is centred on ensuring a few ponds are managed in a way which favours this rare plant, has been costed £4,000 a year.

Children stop women smoking

GLENDA COOPER

Having children makes a woman more likely to give up smoking, and the more children she has, the more likely she is to succeed.

Poor women are as likely to quit as well-off mothers, according to the Imperial Cancer Research Fund, a finding which challenges the belief that the stress of caring for children in deprived circumstances prevents women from quitting.

The findings, published in the journal *Addiction*, have important implications, as smoking by parents carries an approximate doubling of the risk that their children will take up smoking in adolescence. The report, analysing data on 16,000 16- to 49-year-olds,

poor people are less likely than the rich to give up smoking unless a woman has children. The odds on quitting increase by almost 40 per cent for a woman with one child, and almost double if she has three or more children.

A more or less fantastic idea from Compaq.

MORE POWER

MORE STORAGE

LESS MONEY

Compaq, the world's leading PC manufacturer, is now offering its ProLinea and Deskpro PCs with increased processor power; increased hard drive; faster RAM and, at the same time, up to 20% off the price. So now, instead of having to choose between performance and value, you can just choose Compaq.

We'll repeat that: increased

processor power; increased hard drive;

pentium®

faster RAM and yet, up to 20% off the price. So now, instead of having to choose between performance and

value, you can just choose Compaq.

For more details, please send off

the coupon or call 0990 23 24 25.

Mr/Mrs/Ms (initials) _____ Surname _____

Title _____ Company _____

Address _____

Postcode _____ Telephone _____

Are your PCs networked? _____

Number of employees at your place of work _____

We'd like to advise you of future products and offers. If you do not wish to receive them, tick here Send to Compaq Computer Limited, FARNHAM, PO Box 21, 47 Aylesbury Road, Thame, Oxfordshire OX9 1RR MOREINFO

COMPAQ

TECHNOLOGY GONE SANE

The performance of a Mac for the price of a clone.



Buy before the end of April and get a free copy of Claris Organizer, worth £50.

Price aside, there's really no comparison between a notebook clone and a PowerBook™ 190.

It's an easy to use system with a powerful 66/33MHz processor.

It has a full-size keyboard and palm-rest, improved Apple trackpad and outputs for stereo sound.

It's upgradeable to PowerPC™ colour and infrared technology, so it can change as and when your needs do.

It comes with ClarisWorks® software pre-installed so you can use it right out of the box. (Just switch it on and you're ready to go.)

And if you buy any PowerBook 190 before the end of April, you can claim a free copy of Claris Organizer, worth £50.

Call the Apple Information Centre on 0800 515 082 or 0181 875 1401 for details of your nearest stockist and to ask for a Claris Organizer voucher (to be redeemed after you have made your purchase).

At just £1,170 (£995 ex VAT), what more incentive could you need?

Apple

Macintosh PowerBook

TERMS AND CONDITIONS: 1. Only original vouchers will be accepted. 2. Vouchers must be fully completed and sent with a copy of the invoice or till receipt detailing the purchase of a qualifying PowerBook. 3. One copy of Claris Organizer will be despatched per qualifying PowerBook. 4. This offer is open only to end-user customers not to Apple dealers. 5. The offer applies to all 190 Series PowerBook models purchased as new between 1/2/96 and 30/4/96 in the UK or Eire. 6. Vouchers must be received at the address specified on the voucher no later than 31/5/96. 7. A copy of Claris Organizer software will normally be delivered within 28 days of receipt of the completed voucher. 8. Apple reserves the right to substitute alternative software of an equivalent value. Promoter: Apple Computer U.K. Ltd, 6 Roundwood Avenue, Stockley Park, Uxbridge, Middlesex UB11 1BB. © February 1996, Apple Computer, Inc. The Apple logo is a registered trademark and Apple, Macintosh and PowerBook are trademarks of Apple Computer, Inc. registered in the US and other countries. ClarisWorks is a registered trademark of Claris Corporation. PowerPC is a trademark of International Business Machines, used under license therefrom. Price quoted applies to PowerBook 190 4/500. Apple dealers are free to set their own prices, therefore price may vary from that indicated.

مكتبة الأحمد



Former glory: A reclamation project in the Garw valley. More than £200m has already been spent on South Wales's worst sites. Photograph: Rob Stratton

Elderly get insurance deal to beat care costs

COLIN BROWN
Chief Political Correspondent

A Government Green Paper is to be published before Easter to tackle the row over the elderly being forced to sell their homes to get state aid for their long-term care, Peter Lilley, the Social Security Secretary, said yesterday.

The consultation document will include a "partnership scheme" under which the elderly will be allowed to keep more of their assets, providing they take out insurance for long-term care.

Mr Lilley said that under the scheme, if they insured for long-term care costing up to £50,000, they would be allowed to keep assets worth up to £50,000 in addition to their current state allowance of £16,000 on capital, before they would be required to contribute to the cost of their care. The premiums could cost about £10,000 spread over a number of years, he said.

Ministers are hoping the scheme will answer growing unrest among Tory voters at the way in which the elderly are required to sell homes to qualify for state support for their long-term care.

The elderly could insure their long-term care for a fixed amount of care — say £50,000 or two years, Mr Lilley said. "If they stay longer than that and

haven't got insurance care after that, then they will be able to protect that amount of assets on top of their £16,000. If they are drawn down to that level, they would get help much earlier than would otherwise be the case."

Some senior Conservatives believe the current rules work against the party's policies for wealth creation and passing it down to the family. However, ministers have been forced to keep limits because of the spiralling cost of coping with people who are living longer.

There are fears that the switch to insurance-based long-term care will be made compulsory. But Mr Lilley said: "If we possibly can, I would like to see us relying on a voluntary system rather than compulsion."

"I never say never about anything but I am starting on the presumption that we will do it as a voluntary process."

The Chancellor, Kenneth Clarke, doubled the savings limit from £8,000 in the Budget last year, but many Tory MPs warned it was not enough to defuse the protests they were facing in their constituencies.

Harriet Harman, the Labour's health spokesman, found evidence in Government documents placed in the Commons library that some elderly people appeared to be under pressure by their homes to leave within a matter of weeks.

Hurd to press Japanese over PoW damages

WILL BENNETT

Douglas Hurd, who resigned as Foreign Secretary last year, is to press the Japanese government to pay former Allied prisoners compensation for the brutal treatment they suffered during the Second World War.

He will meet government representatives during a forthcoming business trip to Japan and use the contacts and diplomatic knowledge he acquired as Foreign Secretary to argue the ex-prisoners' case.

Seven former prisoners of war and civilian internees are seeking £14,000 compensation each and an apology in an unprecedented legal action in the Japanese courts. They are representing 22,000 ex-prisoners from Britain, Australia, New Zealand and the United States.

Mr Hurd, now free of the diplomatic restraints imposed by office, recently met Arthur Titherington, one of the plaintiffs, who lives in his constituency — Witney in Oxfordshire.

He told Mr Titherington, 74, secretary of the Japanese Labour Camp Survivors Association, that he was sympathetic to the case of the former

prisoners and would do what he can to help them get compensation.

Mr Hurd said: "I told him that I am interested in the case and that when I have occasion to visit Japan I would pursue the point. I think that there are ways of making progress on this and I will continue to press this."

Mr Titherington, who spent three and a half years in a Japanese labour camp, said Mr Hurd had visited him at home to discuss the case. "We talked about our claim for reparations or compensation and he said that he was going to Japan and that he would see what he could do to help. I have known all along that he has been sympathetic to the fact that morally we have a cast-iron case."

Last year, Mr Titherington told Tokyo District Court that he was regularly beaten and tortured when he was forced to work as a miner. Of more than 500 Allied prisoners who in 1942 entered the camp where he was held only 100 were still alive at the end of the war.

Under a treaty signed in 1951, former prisoners of the Japanese were given £76 compensation each, equivalent to about £1,000 today.

news

South Wales makes its valleys green again

MICHAEL PRESTAGE

The remote and tranquil landscape of the South Wales valleys, which was transformed by the ravages of the Industrial Revolution, is slowly being restored. The latest phase will be a 480km network of parks to complete the "greening of the valleys" at a cost of £85m.

The idea of turning the scarred landscape into an environmental asset for both the local communities and potential investors is not new.

It was a process started in 1966 after the Aberfan landslip disaster in which 116 children and 28 adults died. The latest initiative will continue that work into the 21st century.

And while outside Wales there may persist a perception that the valleys are all slag heaps and colliery winding gear, the reality is different.

Anybody who has lived in the South Wales valleys for the past 20 years will have been aware of the massive transition

achieved in the former steel town of Merthyr Tydfil, where reclamation and landscaping is underway. But not at the expense of the town's industrial heritage whose key sites are being preserved.

The river Taff now boasts a trail stretching 70 miles from Cardiff Bay to the Brecon Beacons that takes advantage of disused railway tracks and the course of the now dry bed of the Merthyr to Cardiff Canal. Similar initiatives are planned in other valleys.

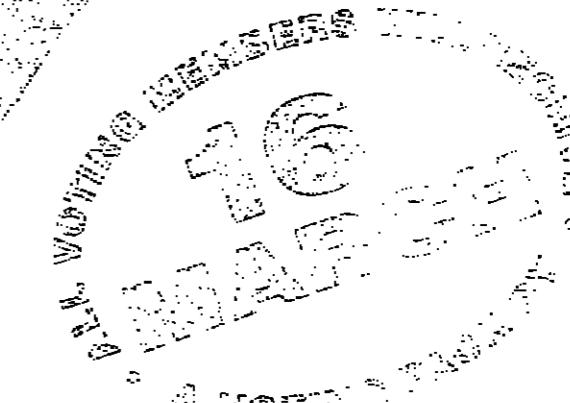
Gwyn Griffiths, for the Welsh Development Agency, which took on the role from the Welsh Office in 1976, has reclaimed 7,000 acres of the worst sites and has spent around £200m. Rivers like the Taff and Afan, which were once so polluted no fish could survive, now boast salmon. The WDA currently has 40 projects under way to restore 3,000 acres of former industrial land.

An example of what can be

AN IMPORTANT MESSAGE FOR N&P MEMBERS

THE PROPOSED TRANSFER OF N&P'S BUSINESS TO ABBEY NATIONAL

YOUR
VOTING PACK
WILL ARRIVE
SOON



YOUR VOTE COUNTS — BE READY TO USE IT



National & Provincial Building Society

Any decision on voting and any election in relation to benefits should be made only after consideration of, and solely on the basis of, information contained in the Transfer Document enclosed with voting forms. Voting members may vote either by returning their voting forms by post, or by attending and voting at the Special General Meeting to be held on 11 April 1996.

Issued by National & Provincial Building Society, which is regulated by the Personal Investment Authority for investment business. This notice does not form part of any offer of securities or a solicitation of any offer to buy or subscribe for any securities.

Hamas suicide attack: Far-right calls for revenge after two identical bus blasts in eight days put peace process in jeopardy

Second bomb shatters Peres' election hopes

PATRICK COCKBURN
Jerusalem

The bomb went off with a dull crump moments before 6.30am. Hamas had just declared a week-long truce so a few seconds another suicide attack seemed unlikely. Then I heard the sound of sirens as police cars converged on a stretch of Jaffa Road 200yds from my apartment.

As I walked towards where the bomb appeared to have gone off I saw the tall figure of Lars Petersen, a Danish radio journalist, who shouted: "It's worse than last time." Just down the road I could see the blackened skeleton of a bus outside a flower shop where I bought some tulips the day before. With its roof blown off and its sides ripped out, it looked exactly like the bus destroyed by a suicide bomber half a mile further along the Jaffa Road a week before.

By now Israeli radio said there were at least 10 dead. Looking at the wreckage of the bus, with only a small strip of its red-and-white paint surviving, it seemed unlikely that anybody could have got out alive. A soldier had thrown a white sheet over one body lying on the ground. A man in a skull cap and wearing white surgical gloves was staring, appalled, at a piece of bone with some flesh attached which was lying in the gutter.

The suicide bomber detonated his explosives, which

killed him and 18 fellow passengers, just as bus number 18 passed the central post office, travelling down Jaffa Road away from the old city of Jerusalem. He may have just boarded the bus one stop before, which is only a few minutes walk from Palestinian districts in East Jerusalem. The bus appeared to have gone on moving after it exploded, because the shops 20yds behind it were the worst damaged.

It was a carbon copy of the suicide attack which had killed 25 people six stops further along Jaffa Road the Sunday before. The only difference was that yesterday's bomb exploded about 15 minutes earlier. To show that there is no defence against a man who is prepared to kill himself, the bomber - later named as Islam Mohammed, 24, from Hebron - had boarded the same number bus which comes from Katamon district in Jerusalem. The security guard on board - 800 are being fired - and the sealing off of Jerusalem from the West Bank had made no difference.

The devastating political impact of the second bus bomb on Shimon Peres, the Prime Minister, was immediately evident. Some ultra-orthodox Jews from the nearby Mea She'arim district were shouting: "Peres get out. We don't want you." Ordinary passers-by were also angry. One man kept shouting: "Do something. Do something."

When Mr Peres arrived he was greeted with jeers. He had

said after last week's bomb that peace, like war, had its sacrifices. Now this was thrown back at him as people shouted: "We don't want any more sacrifices for peace." More threatening was a voice in the crowd which kept shouting "Yigal Amir, Yigal Amir" - the name of the assassin of Yitzhak Rabin.

Ehud Olmert, the right wing mayor of Jerusalem, whose offices overlook where the bomb went off, arrived at the scene. He gave the latest casualty figures, but refused to discuss the political effect of what had happened. He did not really need to. Mr Peres and Labour, who appeared assured of a landslide two weeks ago, are now likely to lose the election on 29 May. "I've had it with peace," said the owner of a newsagent within sight of the burnt out bus. "We gave the Palestinians what they said they wanted and now we have 47 dead in one week. So who needs the peace process?"

Only a month ago polls were showing that a record 59 per cent of Israelis approved of the Oslo accords. The right-wing Likud party was trying to think of ways of pulling back from its outright opposition to agreement with the Palestinians. This was why Mr Peres decided that Labour should go to the polls six months early. It is a decision he must now regret. Visitors who have seen him in private in recent days say he is distraught and exhausted. He shows people an encouraging fax from a 10-year-old girl saying the peace process is bound to have setbacks.

Ari Rosenberg, a religious Jew who owns a toy shop, outside which crowds were shouting for Mr Peres to resign, said: "This is not the way. We should not be so impulsive. Arafat [the PLO leader] will have to do something, or Israel will abandon Peres. He will have to get rid of Hamas or there won't be peace."

Yasser Arafat's round up of the usual suspects in Gaza and the West Bank last week had not impressed Mr Rosenberg or, indeed, many other Israelis. Yet he could see the permanent

closure of the West Bank and Gaza from Israel "has its good and bad side. Maybe it will protect us a little, but if you have a real peace, you must live with people."

Standing in the street in the rain, Yehuda Hadar, a grizzled 47-year-old, had a more direct approach. Asked how he would stop suicide bombs he said he agreed with General Rehavam Zeevi, leader of the far-right Moledet party, who said that "every time a bus is blown up here we should blow up two buses in Nablus and Jenin [in the West Bank]." Mr Hadar hesitated after repeating this suggestion, saying it was against Jewish morality, but he was convinced that Mr Arafat had outwitted the Israeli government and was the hidden hand behind the bombings.

Mr Hadar may be an extreme example, but most Israelis feel that Mr Arafat could and should have done more. "Do you know about the attempted attack by five Hamas men on the settlement at Gush Katif near Gaza?" Mr Hadar asked. "Why didn't Arafat stop that?" He repeated the story that Mr Arafat had secretly told Arab diplomats that he would make life "so miserable for the Jews that they would leave Israel of their own accord". Arabs, he added, were naturally duplicitous and liked killing.

The problem is that nobody knows how to stop a suicide bomber. Mr Hadar suggested deporting their families and blowing up their houses. These were Israeli methods in the past, but are unlikely to deter somebody prepared to die. Nor are more stringent security measures likely to help. Closure

of the roads into Jerusalem stops Palestinians going to work but it is usually simple for somebody without a car to get through. The bombers of a week ago came from al-Fawwar refugee camp outside Hebron where overall security is in the hands of the Israelis.

As a fork-lift truck dragged away the remains of bus 18, there was a screech of metal as its underside scraped along the road. The small shops, which were not too badly damaged, began to reopen with surprising speed. Their owners stoically ignored the demonstrators outside. Customers also came back.

In Mr Rosenberg's toy shop a woman came in to buy coloured balloons. "I opened up the shop today," said Mr Rosenberg, "so I could tell friends who phone that I am all right and to show that life still goes on."

Onward march of terrorist violence

Attacks by Muslim militants in Israel since the signing of the first Israel-PLO peace agreement in September 1993:

6 April 1994 - A Palestinian parks a car rigged with explosives next to a bus in Afula, northern Israel. Nine people are killed. Hamas claims the attack.

13 April 1994 - A Palestinian blows himself up on a bus in the central town of Hadera. Six people are killed. Hamas claims responsibility.

24 July 1995 - A suicide bomber blows up a commuter bus in Tel Aviv, killing six Israelis and wounding 28. Hamas claims responsibility.

21 August 1995 - A suicide bomber blows up a bus in Jerusalem, killing four Israelis and one American. Hamas claims responsibility.

25 February 1996 - Two suicide bombers, on a commuter bus in Jerusalem, and in the coastal city of Ashkelon, kill 26. Hamas claims responsibility.

26 February 1996 - An Arab-American drives his car into a bus stop in Jerusalem, killing one woman. The driver was killed. Hamas claimed responsibility.

22 January 1995 - Two Palestinians blow themselves up at the Beit Lid junction in central Israel. The blast, claimed by

Islamic Jihad, kills 21 people.

9 April 1995 - Two bombers blow themselves up outside two Jewish settlements in the Gaza Strip, killing seven Israeli soldiers and an American student. Hamas and Islamic Jihad claim responsibility.

19 October 1994 - A Palestinian suicide bomber kills 22 in a bus explosion in Tel Aviv. Hamas claims responsibility.

12 November 1994 - A suicide bomber in the Gaza Strip kills three Israeli soldiers and himself. Islamic Jihad claims responsibility.

25 December 1994 - A Palestinian bomber wounds 12 in a suicide attack on a commuter bus in Jerusalem. Hamas claims responsibility.

3 March 1996 - A suicide bomber kills at least 18 bus passengers in central Jerusalem. Hamas claims responsibility.

example, but most Israelis feel that Mr Arafat could and should have done more. "Do you know about the attempted attack by five Hamas men on the settlement at Gush Katif near Gaza?" Mr Hadar asked. "Why didn't Arafat stop that?" He repeated the story that Mr Arafat had secretly told Arab diplomats that he would make life "so miserable for the Jews that they would leave Israel of their own accord". Arabs, he added, were naturally duplicitous and liked killing.

The problem is that nobody knows how to stop a suicide bomber. Mr Hadar suggested deporting their families and blowing up their houses. These were Israeli methods in the past, but are unlikely to deter somebody prepared to die. Nor are more stringent security measures likely to help. Closure

Shadowy militants exult in revenge for martyr's death

ASYA ABDUL-HADI
Gaza
PATRICK COCKBURN
Jerusalem

The militant Islamic Hamas movement immediately claimed responsibility in Gaza and Jerusalem for yesterday's bombing saying it was the last attack while it waited for Israel's response to its offer of a three month truce. It said the units of "the martyr Yahya Ayyash announce their responsibility for the martyrdom operation in the heart of Jerusalem this morning".

The suicide-bomber was named as Islam Mohammed, 24, from Hebron, south of Jerusalem, according to a PLO official. The identity of the organisation behind the three bombings in the last week remains unclear, but appears to

be cells which have split off from the Izzedine al-Qassam military wing of Hamas.

Hamas supporters say the split took place because the political leadership did not want to avenge Ayyash, the so-called engineer, assassinated with a booby-trapped mobile phone on 5 January. Its ability to strike at the same number bus - number 18 - exactly a week, almost to the minute, after its first bombings, shows those behind it are well organised.

Earlier, Yasser Arafat, the chairman of the PLO, declared that the military wing of Hamas and Islamic Jihad were illegal. He described the bombing as a "terrorist, dangerous and serious act" and said: "It is not just against Israel but against the Palestinians and the peace process. I strongly condemn who is behind the attack."

When Arafat was assassinated, it looked too late to change *fati accomplice*. And by last December, when Israeli troops left Bethlehem in time for Mr Arafat's joyous Christmas homecoming, the autonomy process seemed to have moved beyond the point of no return.

But a week ago Hamas shattered the optimism. Suicide bombers struck twice: once to devastating effect in Jerusalem, and then in Ashkelon.

Now was the time for Mr Arafat to prove himself. At an extraordinary meeting, the Israeli army's chief of staff, Amnon Shahak, handed Mr Arafat a list of 15 names - the Hamas members behind the bombings. Go and get them, he demanded. Stop them before they strike again.

But Mr Arafat did not go and get them. Instead his security forces arrested hundreds of Af

months, so that Hamas and the Israeli government can talk through the mediation of the Palestinian Authority. The truce will be cancelled if the Shin Bet, the Israeli security agency, pursues Hamas or Izzedine al-Qassam members.

Addressing the Israeli people, the statement says: "We tell you calmly that neither Labour nor Likud will offer you security as long as your government uses terrorism against us, and continues to arrest our people. The closure and all security measures will not prevent us from striking whenever, and wherever, we want."

The statement warns "brothers" from Izzedine al-Qassam against offering a truce, as they did last week. It says also that the Palestinian Authority should stop arresting and torturing members of Hamas.

CAR INSURANCE

Looking for the
LOWEST
premium?



Exclusive Road Atlas
FREE
with every quote

PHONE
FREE
0500
333
600

TO QUALIFY FOR
YOUR FREE
ROAD ATLAS
PLEASE QUOTE
REF 6803

LINES ARE OPEN

9am-6pm WEEKDAYS.
9am-2pm SATURDAYS.

DIAL DIRECT

Blacked by one of the UK's leading insurers covering over 12 million miles.

© 1995 by National Insurance and General Corporation plc.
This website is for Northern Ireland and the Channel Islands.

Cellphon
TELEPHONE 08

BEAUTY TIPS

A new book reveals over 1,000 beauty tips, all carefully indexed, based on the experience of professional beauticians throughout Britain. Here are a few tips from this *Complete Handbook of Beauty Tips*:

• 11 ways to build nail strength

• A quick way to achieve a firmer, flatter stomach

• Rub this everyday product on to banish stretch marks

• 2 common kitchen ingredients that whiten teeth

• 8 ways to reduce water retention

• 6 ways to smooth away wrinkles... one works while you sleep!

• And much, much more - 1,205 tips in all!

To order your copy of *The Complete Handbook of Beauty Tips* send your name, address and postcode with payment (cheque or Visa/Access with expiry date) of £9.95 which includes postage and handling to: Carnell plc, Dept BE3, Alresford, nr. Colchester, Essex CO7 8AP; or telephone on 01206 825600 (quoting reference BE3).

Allow up to 14 days for delivery. You may return the book any time within three months for a full refund if not satisfied.

Clinton powerless to rescue peace

As it publicly condemned a "grotesque and uncivilised act of terrorism", the Clinton administration was searching somehow to prevent yesterday's deadly bomb blast on a Jerusalem bus from destroying the Israeli-Palestinian peace process in its entirety, writes RUPERT CORNWELL.

In a statement, President Bill Clinton expressed America's "anger and anguish at this terrible crime", and its support for the draconian measures promised by the Prime Minister Shimon Peres against the breakaway Hamas terrorist group which has claimed responsibility. "Peace-makers must be as resolute as are the destroyers of peace in acting to confront the terrorists," the White House said.

Less clear, however, is what Washington can do to halt a campaign seemingly deliberately staged to undermine the peace process, by weakening both Yasser

Arafat, the PLO chairman, and Mr Peres ahead of the 29 May elections in Israel, in which the right-wing Likud party, opposed to the peace process, could return to power. Indirectly Clinton election chances could be at risk, if the bombings wreck arguably his biggest foreign policy achievement.

The Secretary of State, Warren Christopher, was speaking with Mr Arafat yesterday to examine new measures the Palestinian authorities in the West Bank and Gaza Strip could take to choke off Hamas.

But apart from leaning on Egypt, Jordan and its other Arab friends in the region to give no comfort to the terrorists, there seemed little Washington could do. The administration accepts that progress towards a complete settlement between Israel and the Palestinians is probably out of the question. Indeed everything that has been achieved thus far could be at risk.

'Peace of the brave' blown to smithereens

DAVID HOROVITZ
Jerusalem

Yasser Arafat liked to call it "the peace of the brave". Only he wasn't brave enough to make it work. And yesterday, as another 18 bus blew up in central Jerusalem, was the day that proved it.

Yitzhak Rabin used to say that he had taken "a gamble for peace" - gambling that Mr Arafat was a partner who could deliver. Yesterday, as they scraped the human flesh off the buildings on Jaffa Road again, that gamble came up empty.

A few hours after the latest Hamas suicide bomber blew up himself and 18 innocent Israelis to smithereens, Mr Arafat sent out a convoy of armoured personnel carriers into the streets of Gaza. And he spoke of his determination "to take serious steps... to prevent these awful terrorist activities".

The rhetoric was impressive. The show of force even so.

Personal view: PLO leader blamed for failing to deal with extremists



In shock: Two women in Jerusalem after the bombing

When Rabin was assassinated, it looked too late to change *fati accomplice*. And by last December, when Israeli troops left Bethlehem in time for Mr Arafat's joyous Christmas homecoming, the autonomy process seemed to have moved beyond the point of no return.

But a week ago Hamas shattered the optimism. Suicide bombers struck twice: once to devastating effect in Jerusalem, and then in Ashkelon.

Now was the time for Mr Arafat to prove himself. At an extraordinary meeting, the Israeli army's chief of staff, Amnon Shahak, handed Mr Arafat a list of 15 names - the Hamas members behind the bombings. Go and get them, he demanded. Stop them before they strike again.

But Mr Arafat did not go and get them. Instead his security forces arrested hundreds of Af

leged Islamic radicals - but not one from the Israeli list.

And so when the bombers struck, it wasn't just another attack. It looked like the end of the road. Because no Israeli government, no matter how committed to co-existence, no matter how understanding of Mr Arafat's internal difficulties, can afford to leave the security of its citizens in the hands of an unresponsive "partner".

As Israel now tries to halt the bombings, it may resort to sending the army back into areas newly handed over to Mr Arafat's control. Indeed, there are those who believe Mr Arafat is secretly hoping Israel will do the job for him - take on the militants with the determination he has felt unable to display. Perhaps.

What is certain is that the confrontation will come. Mr Arafat has ducked it. And it will be all the harder, probably impossible, to find a majority of Israelis willing to trust him again.

When Rabin was assassinated, it looked too late to change *fati accomplice*. And by last December, when Israeli troops left Bethlehem in time for Mr Arafat's joyous Christmas homecoming, the autonomy process seemed to have moved beyond the point of no return.

But a week ago Hamas shattered the optimism. Suicide bombers struck twice: once to devastating effect in Jerusalem, and then in Ashkelon.

Now was the time for Mr Arafat to prove himself. At an extraordinary meeting, the Israeli army's chief of staff, Amnon Shahak, handed Mr Arafat a list of 15 names - the Hamas members behind the bombings. Go and get them, he demanded. Stop them before they

Howard holds back tide of history

ROBERT MILLIKEN
Sydney

The seeming general election victory of John Howard, Australia's new Prime Minister, will slow moves towards making Australia a republic—but it will not change the direction of movement.

Taking up the pro-republic momentum generated by Paul Keating, the defeated Labor prime minister, will be nowhere near the top of Mr Howard's list of priorities. The overwhelming victory by the conservative Liberal Party, headed by Mr Howard, and its National Party coalition partner means that Australia is likely to take a longer and more winding road towards a republican future.

Mr Howard, whose victory was the culmination of a 22-year political career, comes from the conservative heartland of middle Australia. He believes that Australia's Constitutional links with the British monarchy have served it well and that Mr Keating had pursued a new trade and foreign policy focus for Australia in Asia at the expense of traditional ties with Britain and the United States.

Claiming victory before cheering supporters in Sydney on Saturday, he said he would take his "emphatic mandate" of a possible 50-seat majority in parliament as a signal to change all that: "We have not been elected just to be a pale imitation of the government we're replacing," he declared.

Yet even Mr Howard, nicknamed "Honest John," has been obliged to acknowledge that the tide of history has turned public opinion in multicultural Australia increasingly against retaining the Queen as head of state. Opinion polls show that a majority of people, especially younger Australians, favour replacing her with an Australian president. Despite his opposition to the Keating re-



Overwhelming victory: Liberal leader John Howard acknowledges supporters' cheers in Sydney after his election win on Saturday. Photograph: Reuter

public agenda for a referendum before 2000, Mr Howard has pledged to set up a convention in 1997 to examine reforms to Australia's 19th-century written constitution, including changing the head of state.

Reiterating his pledge during the election campaign, Mr Howard said that, if a consensus on a republican model emerged from the convention, the government would put that consensus to Australians in a referendum. If there was no consensus, then the government would hold a series of non-binding plebiscites on options. "If this country is ever to become a republic," Mr Howard said, "it ought to be a uniting and unifying moment in our his-

tory, not an occasion which leaves a section of the population feeling as though they weren't properly consulted."

Even as the Labor Party reeled from its debacle yesterday, the question of maintaining its drive towards an Australian republic was being discussed in the event that the party could return to power in 1999 after one term of coalition government. After Mr Keating announced his intention to resign as Labor leader on Saturday, party strategists and surviving MPs began closing ranks around Kim Beazley, the former Minister for Finance and former deputy prime minister, as his most likely successor.

Bob Hawke, the former Labor prime minister whom Mr Keating unseated as party leader four years ago, described Mr Beazley as a "warm, avuncular, cuddly bloke" with great experience and a "first-class mind". Mr Beazley, a former Rhodes Scholar, was himself struggling last night to retain his constituency of Brand, in Western Australia. Asked yesterday if republicanism was a high priority for him, he replied: "It is, and it's of great importance for the country."

Republicanism, however, had little, if anything, to do with Labor's massacre at the polls on Saturday, its most shattering election defeat since 1975 when Gough Whitlam's Labor government was swamped in a

coalition landslide. After vote-counting stopped on Saturday night, Mr Keating's government appeared to have lost 30 seats. Depending on distribution of preference votes from marginal constituencies, Labor may be left with 47 seats in the 148-seat House of Representatives. Three Keating ministers lost their seats, and three more are unlikely to survive when counting resumes today.

Labor suffered a national negative voting swing of 5 per cent. In New South Wales, the most populous state, and Mr Keating's power base, the anti-Labor swing was 9 per cent. Labor reaped a backlash there from the unpopularity of the state government headed by

Bob Carr, the only remaining federal or state Labor administration in the country. Ironically, some of that backlash came from an outcry over Mr Carr's decision in January to downgrade the vice-regal role of the state governor, a decision he belatedly reversed the day before the federal election.

Mr Keating lost the election largely because, after 13 years of Labor government, his brand of "vision politics" had ceased to strike a chord with Australians who were looking for answers to more fundamental questions such as national unemployment at 8.6 per cent, and three times that figure for youth unemployment in some areas.

Media battle, page 16

IN BRIEF

Sierra Leone election run-off

Freetown — Presidential elections to end military rule in Sierra Leone will go to a second round between the top two candidates after voting last Monday and Tuesday failed to produce an outright winner. Electoral commission chairman James Jonah said he would meet political parties and the head of state, Brigadier-General Julius Maada Bio, to discuss the second round. Ahmad Tejan Kabbah of the Sierra Leone People's Party polled 35.8 per cent of votes and will face John Karefa-Smart of the United National People's Party, who had 22.6 per cent. Reuter

Russians and Chechens in gunbattle

Moscow — Russian troops fought a fierce gunbattle with Chechen rebels after being ambushed in a village in western Chechnya, according to Russia's top military commander in Chechnya, General Vyacheslav Tikhomirov said there were dead and wounded as a result of the fighting in Sernovodsk, about 45km (30 miles) west of Chechnya's capital, Grozny, but he gave no details of the casualties. Reuter

Denktash suffers heart attack

Nicosia — The Turkish Cypriot leader Rauf Denktash suffered a heart attack in the night and is in intensive care, his doctor said. "He is 72 and has never had a heart attack before," Dr Sait Keman said. "His attack can be linked to his age, exhaustion and recent stress." Greece condemned Mr Denktash on Saturday for saying people missing since a 1974 Turkish invasion of Cyprus must be presumed dead. Reuter

Opposition pulls out of Iran poll

Tehran — Liberal opposition politicians said they would play no further part in campaigning for Iran's parliamentary elections. A coalition of liberal Islamists from the Iran Freedom Movement, the National Front, and individual activists said the interior ministry, which is responsible for organising next Friday's elections, rejected on Saturday the group's request for permission to hold public meetings. Reuter

Rock stars die in air crash

Rio de Janeiro — All five members of one of Brazil's hottest rock bands, Mamonas Assassinas, died when their private jet crashed a few miles outside Sao Paulo. The crash on Saturday killed all nine people aboard, including two assistants for the band, the pilot and co-pilot. Their Learjet hit a mountain in the Serra da Cantareira range moments after traffic control at Sao Paulo's Guarulhos Airport gave the pilot approval to begin landing operations. The cause has not been determined. AP

Corpse confuses sled dog race

Anchorage — The world's most famous sled dog race, the Iditarod, began on Saturday amid confusion over a corpse found in the staging area. The normal frenzy that accompanies the start of the race was complicated by a police investigation into an unrelated fatal shooting that occurred a few hours before mushers and their dogs assembled in central Anchorage. Reuter

Meningitis kills over 1,000 in Nigeria

Lagos — An outbreak of spinal meningitis has killed 1,273 people in northern Nigeria since January, the military government said, adding that about 20 million Nigerians living in and around Kano state could be at risk. The Ministry of Health said 9,401 people had contracted spinal meningitis in the north since January. AP

Moderate Turks unite

HUGH POPE
Istanbul

Turkey's two centre-right parties pledged yesterday to put aside a decade of destructive rivalry and to join a coalition government committed to a five-year programme of structural reform.

"We will dispel all the predictions of the pessimists," said the Motherland Party leader, Mesut Yilmaz, at a ceremony in the parliament building in Ankara. "We will keep all our promises."

According to the protocol, Mr Yilmaz will take this year and 1999 in a system of rotating premiership. The years 1997 and 1998 will be taken by the True Path Party leader, Tansu Ciller, with a nominee from her party becoming prime minister

in the run-up to elections in the year 2000.

Giving up the first year of the premiership was a sacrifice I made in order to stop the [pro-Islamist] Welfare Party from coming to power," Mrs Ciller told the gathering of deputies and reporters.

The Welfare Party came first with 21 per cent of the vote in elections held on December 24. The two centre-right parties won just over 19 per cent each, resulting in 135 seats for Mrs Ciller and 126 for Mr Yilmaz.

"Our two parties have been fighting for the same votes. We think our coalition will be good for the political stability of the country, a precondition for all progress," Mrs Ciller said.

The new centre-right coalition, known as Anayol, or Mother Path, the contraction of

the Turkish names of the two parties, will, however, be relying on external support from the Democratic Left Party, led by Bulent Ecevit.

And Mr Ecevit may stand in the way of much of the "stage-by-stage, comprehensive, five-year programme of structural change" which was promised in the coalition protocol. Parliament is expected to give a vote of confidence in the new government later this week.

The pro-Islamic Welfare Party has been greatly angered by the abrupt way it was frozen out of power, and it remains the biggest and best-organised group in the Turkish parliament. If the centre-right fails to make good this time, the Islamists know they have a good chance to win power outright at the next general election.

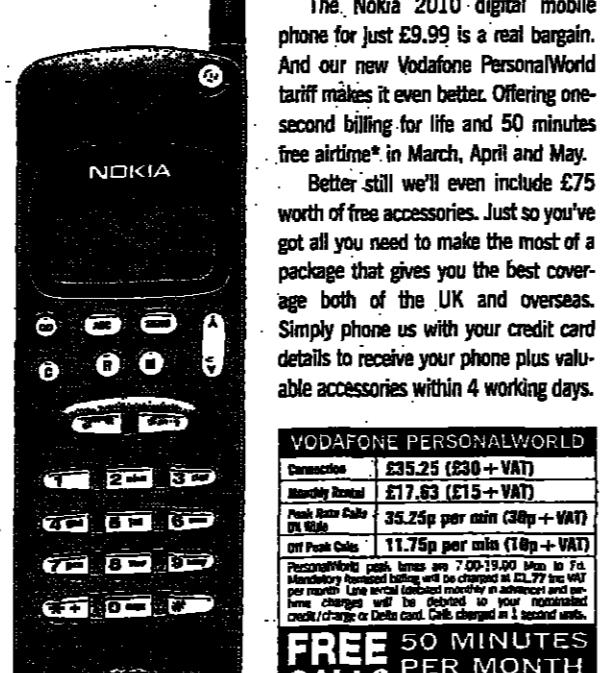
Now free calls and one second billing.

LIMITED OFFER
£9.99
INC. VAT

NOKIA
GSM MODEL 2010.
◆ 99 name/number memory
◆ 100 mins talk-time
◆ 30 hrs standby-time
◆ Complete with standard battery and rapid travel charger
◆ Weight approx 320g

FREE IN-CAR ADAPTOR/CHARGER
FREE SPARE BATTERY
FREE LEATHER CASE
TOGETHER WORTH OVER £75

GUARANTEED PEACE OF MIND
Your phone is covered by our 14 days
no quibble money back promise



VODAFONE PERSONALWORLD
Domestic 153.25 (630p + VAT)
Monthly Rental 217.52 (£15.40 + VAT)
Peak Rate Daily 35.25p per min (30p + VAT)
Off Peak Calls 11.75p per min (18p + VAT)
PersonalWorld calls, terms are 700-19,000 mins in 7d, 1000-10,000 mins in 14d, 1000-10,000 mins in 21d, 1000-10,000 mins in 28d, 1000-10,000 mins in 35d, 1000-10,000 mins in 42d, 1000-10,000 mins in 49d, 1000-10,000 mins in 56d, 1000-10,000 mins in 63d, 1000-10,000 mins in 70d, 1000-10,000 mins in 77d, 1000-10,000 mins in 84d, 1000-10,000 mins in 91d, 1000-10,000 mins in 98d, 1000-10,000 mins in 105d, 1000-10,000 mins in 112d, 1000-10,000 mins in 119d, 1000-10,000 mins in 126d, 1000-10,000 mins in 133d, 1000-10,000 mins in 140d, 1000-10,000 mins in 147d, 1000-10,000 mins in 154d, 1000-10,000 mins in 161d, 1000-10,000 mins in 168d, 1000-10,000 mins in 175d, 1000-10,000 mins in 182d, 1000-10,000 mins in 189d, 1000-10,000 mins in 196d, 1000-10,000 mins in 203d, 1000-10,000 mins in 210d, 1000-10,000 mins in 217d, 1000-10,000 mins in 224d, 1000-10,000 mins in 231d, 1000-10,000 mins in 238d, 1000-10,000 mins in 245d, 1000-10,000 mins in 252d, 1000-10,000 mins in 259d, 1000-10,000 mins in 266d, 1000-10,000 mins in 273d, 1000-10,000 mins in 280d, 1000-10,000 mins in 287d, 1000-10,000 mins in 294d, 1000-10,000 mins in 301d, 1000-10,000 mins in 308d, 1000-10,000 mins in 315d, 1000-10,000 mins in 322d, 1000-10,000 mins in 329d, 1000-10,000 mins in 336d, 1000-10,000 mins in 343d, 1000-10,000 mins in 350d, 1000-10,000 mins in 357d, 1000-10,000 mins in 364d, 1000-10,000 mins in 371d, 1000-10,000 mins in 378d, 1000-10,000 mins in 385d, 1000-10,000 mins in 392d, 1000-10,000 mins in 399d, 1000-10,000 mins in 406d, 1000-10,000 mins in 413d, 1000-10,000 mins in 420d, 1000-10,000 mins in 427d, 1000-10,000 mins in 434d, 1000-10,000 mins in 441d, 1000-10,000 mins in 448d, 1000-10,000 mins in 455d, 1000-10,000 mins in 462d, 1000-10,000 mins in 469d, 1000-10,000 mins in 476d, 1000-10,000 mins in 483d, 1000-10,000 mins in 490d, 1000-10,000 mins in 497d, 1000-10,000 mins in 504d, 1000-10,000 mins in 511d, 1000-10,000 mins in 518d, 1000-10,000 mins in 525d, 1000-10,000 mins in 532d, 1000-10,000 mins in 539d, 1000-10,000 mins in 546d, 1000-10,000 mins in 553d, 1000-10,000 mins in 560d, 1000-10,000 mins in 567d, 1000-10,000 mins in 574d, 1000-10,000 mins in 581d, 1000-10,000 mins in 588d, 1000-10,000 mins in 595d, 1000-10,000 mins in 602d, 1000-10,000 mins in 609d, 1000-10,000 mins in 616d, 1000-10,000 mins in 623d, 1000-10,000 mins in 630d, 1000-10,000 mins in 637d, 1000-10,000 mins in 644d, 1000-10,000 mins in 651d, 1000-10,000 mins in 658d, 1000-10,000 mins in 665d, 1000-10,000 mins in 672d, 1000-10,000 mins in 679d, 1000-10,000 mins in 686d, 1000-10,000 mins in 693d, 1000-10,000 mins in 699d, 1000-10,000 mins in 706d, 1000-10,000 mins in 713d, 1000-10,000 mins in 720d, 1000-10,000 mins in 727d, 1000-10,000 mins in 734d, 1000-10,000 mins in 741d, 1000-10,000 mins in 748d, 1000-10,000 mins in 755d, 1000-10,000 mins in 762d, 1000-10,000 mins in 769d, 1000-10,000 mins in 776d, 1000-10,000 mins in 783d, 1000-10,000 mins in 790d, 1000-10,000 mins in 797d, 1000-10,000 mins in 804d, 1000-10,000 mins in 811d, 1000-10,000 mins in 818d, 1000-10,000 mins in 825d, 1000-10,000 mins in 832d, 1000-10,000 mins in 839d, 1000-10,000 mins in 846d, 1000-10,000 mins in 853d, 1000-10,000 mins in 860d, 1000-10,000 mins in 867d, 1000-10,000 mins in 874d, 1000-10,000 mins in 881d, 1000-10,000 mins in 888d, 1000-10,000 mins in 895d, 1000-10,000 mins in 902d, 1000-10,000 mins in 909d, 1000-10,000 mins in 916d, 1000-10,000 mins in 923d, 1000-10,000 mins in 930d, 1000-10,000 mins in 937d, 1000-10,000 mins in 944d, 1000-10,000 mins in 951d, 1000-10,000 mins in 958d, 1000-10,000 mins in 965d, 1000-10,000 mins in 972d, 1000-10,000 mins in 979d, 1000-10,000 mins in 986d, 1000-10,000 mins in 993d, 1000-10,000 mins in 1000d, 1000-10,000 mins in 1007d, 1000-10,000 mins in 1014d, 1000-10,000 mins in 1021d, 1000-10,000 mins in 1028d, 1000-10,000 mins in 1035d, 1000-10,000 mins in 1042d, 1000-10,000 mins in 1049d, 1000-10,000 mins in 1056d, 1000-10,000 mins in 1063d, 1000-10,000 mins in 1070d, 1000-10,000 mins in 1077d, 1000-10,000 mins in 1084d, 1000-10,000 mins in 1091d, 1000-10,000 mins in 1098d, 1000-10,000 mins in 1105d, 1000-10,000 mins in 1112d, 1000-10,000 mins in 1119d, 1000-10,000 mins in 1126d, 1000-10,000 mins in 1133d, 1000-10,000 mins in 1140d, 1000-10,000 mins

international

Spain faces conservative change after election day 'fiesta'

ELIZABETH NASH

Madrid

Spain's conservative Popular Party claimed victory in yesterday's general elections after exit polls showed them well ahead of the ruling Socialist party. The polls showed the PP of Jose Maria Aznar a few seats short of an absolute majority, but the party spokesman Mariano Rajoy said the PP had won a sufficient majority to govern. A state television exit poll

gave the conservative party, which was bidding to end 13 years of Socialist rule, between 160 and 171 seats in the 350-seat parliament.

The Socialist party of Prime Minister Felipe Gonzalez was seen winning 120 to 135 seats. But a spokesman dismissed the polls as "mere studies", not to be taken at face value.

Yesterday's general election, the most decisive for 20 years, turned into something of a fiesta. Blazing spring sunshine

contributed to the festive mood and encouraged an early rush for the polling stations.

The contest, expected to bring the conservatives to power after 13 years of Socialist rule, marked a historic change of course. Only 10 years separate Mr Aznar, 43, and Mr Gonzalez, 53, but they represent different political generations. A Socialist defeat rounds off the democratic transition from Franco's dictatorship, and confirms that Spain is not very dif-

ferent from any other European democracy.

The choice facing 32 million Spaniards yesterday was between two men. For the first time, voters were not conditioned by fears of revolution or military revolt. That is Mr Gonzalez's achievement.

Mr Aznar is a child of the transition, one who benefited from change but did not, like Mr Gonzalez's generation, make it happen. If the Socialist victory in 1982 brought to power the

first generation not to know civil war, a conservative victory brings in the first generation not to know dictatorship. Mr Gonzalez on the campaign trail hammered away at the historic gains of his rule, the welfare state, educational opportunity, healthcare, pensions. The decline in support for him does not mean that these achievements are not valued: Spaniards accept them, criticise their shortcomings and want to move on. Youngsters who have grown

up under Mr Gonzalez do not see the silver-tongued firebrand of the 1980s, but the putty, isolated leader of a government that has presided, steeped in scandal, over the highest rate of unemployment in Europe. Mr Aznar says he will change all that, and many, especially the young, believe him, or at least want to give him a chance. He promises clean government and jobs. Unemployment heads the list of Spaniards' worries just as it did in 1976. But while 20 years

ago the second and third worries were prices and social inequalities, now they are political corruption and terrorism.

Mr Aznar has kept details of his programme under wraps, although he has talked of "austerity" and "efficiency" which the socialists interpret as welfare cuts and industrial streamlining. He promises a hard line against Basque terrorism. This strikes a chord, since the Socialists' record on ETA separatists includes failed peace

talks and an illegal dirty war for which a former minister is up before the Supreme Court.

Many have accepted Mr Aznar's insistence that his party represents the centre, and do not expect sweeping changes. But there may be a change in custom and style. After Franco fell, an artistic flowering and relaxation of formalities made Spain among the most tolerant countries in Europe.

Some conservatives may seek to turn back the clock.

Havana crisis: Mourners scatter flowers as Castro admits giving order to down 'martyr' pilots

Cuban exiles join hands in grief

PHIL DAVIDSON

Miami

One week to the hour after four fellow pilots were blown to pieces by Cuban MiG fighters, a dozen Cuban-American pilots circled the site of the shooting in small planes, prayed by radio with an accompanying priest and scattered flowers over the surging waves off Cuba in memory of their colleagues.

Those same 10-foot waves prevented a flotilla of more than 20 private cabin cruisers and fishing boats from reaching the site, 21 miles north-west of Havana, but the Cuban exiles' boats pulled up halfway between the Florida keys and Havana to sing the Cuban national anthem and toss wreaths into the sea before turning back.

As Cuban-Americans remembered the four pilots from the Brothers to the Rescue exiles group, who died aboard two Cessna planes shot down the previous Saturday, Cuban leader Fidel Castro admitted he had given the order to shoot the group's planes down if they approached Cuba. He had done so after the group overflowed the Havana *Malecon* (seafront) in January, dropping pro-democracy leaflets. "It was so humiliating, an unusually-candid Mr Castro said in an interview in *Time* magazine.

But for a few radical exiles who had hoped Saturday's air and sea flotilla would spark another incident that might force the United States to take action against Cuba, most exiles expressed relief that the memorial services had passed peacefully. Mr Castro sent out gunboats to protect his waters, taking along



Shining example: Cuban-Americans sail for the spot where four pilots died, shot down by Cuban MiGs. Photograph: AP

foreign correspondents for the first time, "to tell the world the truth" should the exiles have entered Cuban waters.

The deaths of the four exiles, two of them born in the US, two in Cuba, may pale against the 1962 Cuban nuclear missile crisis in which President John F. Kennedy faced down Soviet leader Nikita Kruschev. But it

has caused the most tension in US-Cuban relations since then and helped unite an otherwise-bickering community of 1 million Cubans in the US.

At the last minute before Saturday's flotilla set out, escorted by a dozen armed US Coast Guard cutters, six helicopters and two C-130 surveillance planes, Mr Clinton declared a

state of emergency in southern Florida to prevent boats from leaving local waters without clearance. He also moved three navy warships to within sight of the flotilla and ordered a squadron of airforce F-15 fighter planes to Key West, the closest point to Cuba. The planes sat on a runway, with engines running, throughout Saturday.

search for refugees, saved thousands of lives but too often spotted eerily-empty rafts.

Before setting off, the group's pilots as always stood in a large circle, this time in torrential rain, joined hands and prayed. Framed photos of the four downed pilots, three of them in their 20s, were held within the chain of hands.

When they returned, the pilots overflow Miami's Orange Bowl football stadium to the cheers of at least 40,000 Cuban exiles, in a sea of Cuban and US flags, taking part in another memorial service. Washington's ambassador to the United Nations, Madeleine Albright, something of a local hero here since she pushed through an anti-Castro resolution, called the MiG pilots "cowards" and described the dead pilots as "martyrs, part of the hallowed list of Americans who died because they loved freedom and cared for their fellow human beings".

In Cuba, where the state media described the flotilla as "a counter-revolutionary show that failed", one woman staged her own memorial service on a beach outside Havana. Nancy Morales was remembering her brother Pablo, 29, one of the downed pilots, who died from the same beach on a raft four years ago, was saved by Brothers to the Rescue pilots and later trained and flew with them out of gratitude.

As local residents gazed from dilapidated waterfront flats, Nancy Morales waded into the sea alone, carrying a Bible, tossed two bunches of flowers into the waves, and recited the 23rd Psalm.

RUPERT CORNWELL

Washington

With his thumping victory in South Carolina, Bob Dole may at last have put his troubles behind him and set himself on course to clinch – perhaps within the next three weeks – the Republican presidential nomination to face President Clinton this autumn.

Predictions have been a risky business in this topsy-turvy Republican contest, but suddenly everything seems set fair for Mr Dole, whose shortcomings as a campaigner will be masked by his sheer organisational strength in the packed primary schedule ahead, culminating on 26 March in California, by which time the battle may already have been decided.

With all votes counted in South Carolina, the Senate majority leader had 45 per cent, against 29 per cent for the conservative populist Pat Buchanan, and 13 per cent for Steve Forbes. Trailing in a poor fourth was the former Tennessee Governor, Lamar Alexander, with 10 per cent.

If Mr Dole was the undisputed winner, showing strength even among religious conservatives who were expected to side overwhelmingly with Mr Buchanan, the biggest loser was Mr Buchanan or Mr Alexander in Georgia, throwing back into doubt Mr Dole's ability to sweep the South on "Super Tuesday" a week later, when 362 delegates are at stake – more than a third of the 996 needed to secure the nomination.

In the New York primary, where 102 delegates are at stake – the season's biggest prize yet – Mr Dole as usual has the backing of the Republican machine and the party establishment from Governor George Pataki down. But Mr Forbes has cracked New York's tortuous electoral rules to get his name on the ballot across the entire state, and with the help of \$1m of late advertising could yet cause a surprise.

UNSECURED PERSONAL LOANS

Our rate
is now down
to its
lowest ever

13.3% APR

To take advantage of our lowest rates ever, call now on

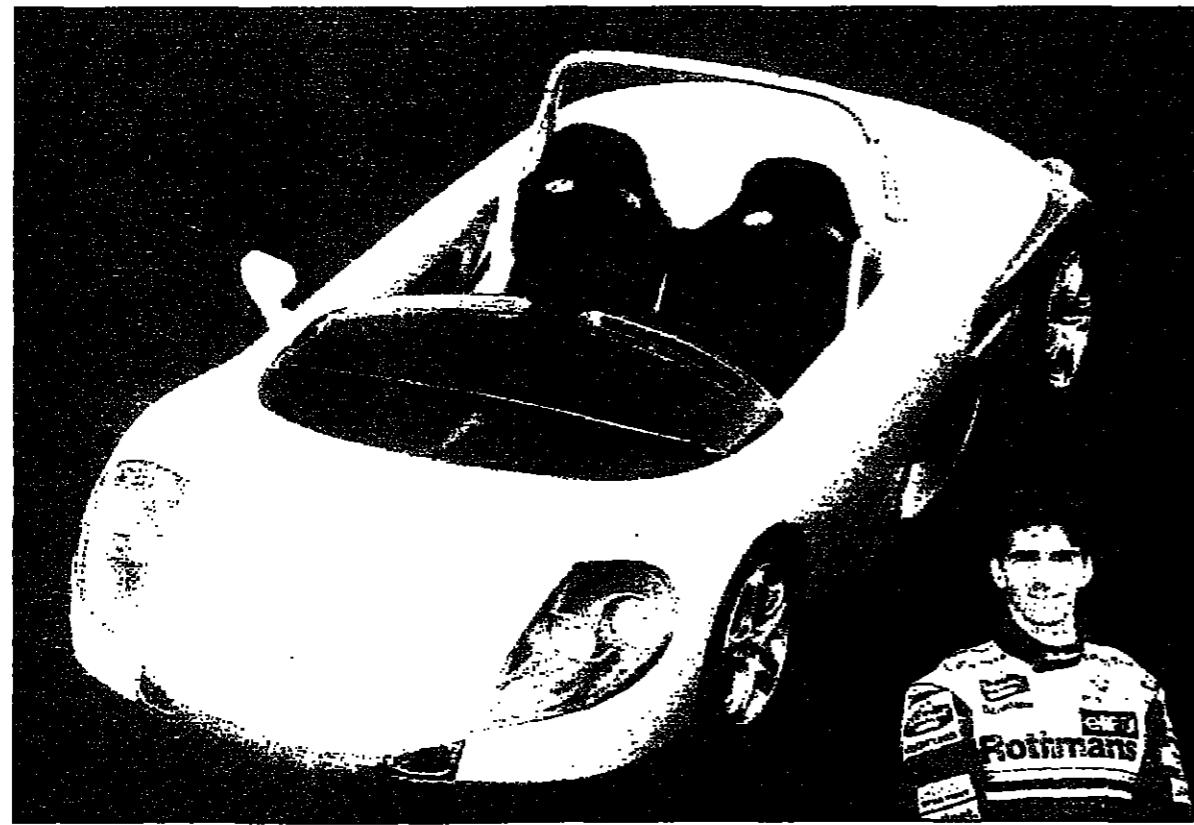
FREEPHONE
0800 30 3000

Quoting ref 91025/100

*13.3% APR is available for loans from £5,000 to £10,000. Loans for business or similar purposes are excluded. Rates are current as 24/2/96. A written application of our credit terms is available on request. All rates are subject to quotation. You must be aged 24 years or over and in receipt of a regular income. This offer is not available in the Isle of Man. For your security and to improve our service to you, we may record or monitor calls made to Hamilton Direct Bank. Hamilton Direct Bank is a division of HFC Bank plc, an authorised institution under the Banking Act 1987. Registered Office North Street, Whitefield, Wigan, Lancashire M24 4TD. Registered in England No. 1117365.

Win Damon Hill's Renault Spider

with THE INDEPENDENT



We would like to give you the chance to win a unique open-top sports car that has had one careful owner - Damon Hill. Damon, hotly tipped to take this year's Grand Prix crown from Michael Schumacher, will road test our prize Renault Sport Spider, a magnificent mid-engine two seater that was the hit of the Geneva Motor Show. The Spider, which will retail for around £25,000, has a lightweight aluminium chassis and a 150 bhp 2 litre Clio Williams engine which gives a top speed of 130 mph. Though the Spider's high-tech interior and racy, squat lines show its race track pedigree, this is a car that was designed for everyday use. Safety is a prime feature, as is driver comfort and noise reduction. Acceleration, road-holding, cornering and

breaking are all that you would expect from a designer thoroughbred. Production of the Spider will be strictly limited, and your prize car will carry the Damon Hill seal of approval.

HOW TO ENTER

To be in with a chance of winning our prize Renault Sport Spider you must collect five differently numbered tokens from the fourteen we are printing in *The Independent* and the *Independent on Sunday*. Today we are printing Token 9; Token 10 will be printed in tomorrow's *Independent*. An entry form will be published on Saturday 9 March. It must be completed and sent in with your tokens.

TERMS AND CONDITIONS

As previously published.

Renault Spider

TOKEN 9

THE INDEPENDENT

JOIN NOW FROM

JUST £36

To join, call free now on

0500 444 999

and ask for extension 6666.

Immediate cover available.

TERESA POOLE

كذا من الأصل

The old liberal values will not be enough in the battle between faith and secularism in a multi-cultural society, says Paul Vallely

How much intolerance can we tolerate?

Do not think it could not happen here. It has. Indeed, in many ways we set the gruesome template. Arnold Wesker's new play *Blood Libel*, which received its premiere at Norwich Playhouse last month, tells the story, set in 12th-century England, of one of the first recorded instances of the canard that Jews sacrificed Christian children at Passover in order to obtain blood for unleavened bread. The persecutions which followed spread through medieval England, ending with the death of 150 Jews in Clifford's Tower in York. This set the pattern of segregation, persecution and expulsion which became the model for the blood libel pogroms which occurred throughout Europe over 800 years, culminating in the cataclysm of the Holocaust.

The events which Wesker depicts may be 800 years old, but the contours of the relationship between a majority and minority culture – separated by ritual, culture and language, yet bound together geographically and economically – remain largely unchanged in Britain today where a new majority, secularism, is eyeing up a new minority, the Muslims.

The situation raises once again the conflict between liberalism and authority which, until recently, seemed to have died when the social stranglehold of religion was loosened.

The turn in that tide is not just down to Islam, although its proselytising has come to be seen as the great threat to the world of liberal pluralism. Faith is on the march elsewhere. We read of conversions in the UK to Catholicism and even Russian Orthodox Christianity. We see the increasing reinsertion of God into the world of American politics. We see half-formed religious simulacra in New Age culture and in the communitarianism partially embraced by both Bill Clinton and Tony Blair in the politics of responsibility rather than rights.

The renewed tensions between the liberal and authoritarian ethics are at their steepest in the United States, reaching their epitome in the abortion debate. The authoritarians, at their most extreme, say that abortion is killing and we all have a moral obligation to prevent injustice, even to the extent of killing the abortionists. The liberals insist that everyone must be allowed to define abortion for themselves. Increasingly, there seems to be no ground on which the two groups can address one other.

The problem has now taken on a new dimension in Britain. The US may be a divided society, with the secular world view locked in constant conflict with that of conservative Christianity. But Britain is now essentially post-Christian in its dominant ethos. Existentialism has taught us each to create our own identity. That subjectivism has combined with social and economic liberalism to produce a quagmire of relativism in which all truth has become dependent on the circumstances in which we live. The rise of relativism has affected religion, too, with a vibrant belief being replaced by a vague secularised Christianity with its thin gruel of shared norms of tolerance and fairness.

Dispersed authority is the masterly equivocation which the Church of England has come up with to describe this celebration of the national genius for non-com-

pliance. Such equivocal pragmatism is what the English have lived by, argues the political philosopher John Gray of Jesus College, Oxford, and that is what we are moving out of because it is no longer sustainable. "This is a new situation," he says. "There is no late modern culture which has worked out how vivid forms of belief can coincide with a liberalism which has nothing left to teach. It has been hollowed out and all that remains are a few ruins of the Enlightenment and some bric-a-brac from Christianity."

In the past, the debate between liberalism and authority took place against the background of a strongly religious culture. Atheism and humanism were the shadows cast by Christianity. But now Christianity is just one voice among many and so the conflict has become multilateral rather than polar. A multicultural society has to work out entirely different ways of reconciling strongly held religious belief with the norms of liberal tolerance and fairness.

That Islam is the new bogeyman is a commonplace. The points of potential conflict between the majority and the comparatively recently arrived Muslim minority are many, but the defining battleground is education. Recently, 1,500 Muslim children were withdrawn from schools in Kirklees after their parents protested that their offspring were being corrupted and confused by a multi-faith religious education syllabus. In Birmingham, most of the pupils in one school

have staged a mass opt-out from the state's official multi-faith syllabus and have chosen an Islamic one. With half a million Muslim children in British schools, the potential for increased divergence is great.

The classic answer to all this is liberalism's "anything is permitted, so long as it doesn't interfere with others". The state intrudes on the individual only to protect others from harm and the law (formulated in line with liberal ideology) is used to set the limits of what harms other people (hence racial discrimination is illegal where religious discrimination is not). In recent centuries this liberalism, with its emphasis on freedom and tolerance, has avoided terrible religious wars and developed a high culture of science, art and learning.

In keeping with that tradition, today's liberal society looks at the spectre of multiracial conflict and rules that in a multi-ethnic society all children need to be taught the limits of what harms other people (hence racial discrimination is illegal where religious discrimination is not). In recent centuries this liberalism, with its emphasis on freedom and tolerance, has avoided terrible religious wars and developed a high culture of science, art and learning.

The Government has decided that its two-fold aim was best fulfilled through a compulsory act of worship, which has to be of a specifically Christian character, and through a multi-faith religious education syllabus which presents all religions with our value judgements.

"In this way, children can learn about beliefs and values and start to establish their own code of ethics, enriched and informed by knowing how a range of religious work," says Lesley Prior, lecturer in religious education at St Mary's University College and an RE adviser to the multi-ethnic London borough of Hounslow, outlining the received wisdom.



Muslim pupils in the classroom, of whom Arnold Wesker says: 'If you root education strongly in religion, it leads to intolerance'

Asadour Guzelian

There are, to be sure, enormous contradictions in this, as John Hull, professor of religious education at the University of Birmingham, pointed out last year at the Royal Society in a devastating critique of the Department for Education's muddled policies. There are tensions between Christian worship and a non-judgemental programme of comparative religion. There are problems when members of other faiths opt out of the worship sessions which were designed to give a sense of common values to the school community.

Where secularists argue that worship should therefore be scrapped entirely, and liberals of most faiths would want to see the specifically Christian component dropped from the act of worship, the sense growing strongly in certain significant minority sectors of society that value judgements do have to be made. Mohamed Minkadam, a parent-governor at Birchfield Primary School in Birmingham, speaks for those who feel no ambivalence – which is why he has organised the mass opt-out from a multi-faith syllabus into an Islamic one.

A former accountant with the Prudential, he became involved in education when his children first went to school. Horrified at what he saw as the materialistic secular ethos of the place in which they were to be taught, he left his job and went back to university to study education. He is now engaged on a PhD on a Koranic perspective of spiritual and moral development and is setting out to question the philosophical underpinning of the Government's multi-faith education strategy.

The traditional approach, which used Christianity to form spiritual and moral values, developed in children the ability to know right from wrong. It fostered a sense of honesty, trustworthiness and tolerance. It gave support to family values. "So why can't we use Islam to pursue a similar approach for Muslim children now?"

Mukadam argues. "There has been a direct correlation between the decline in faith and the break-up of the family, the rise in crime, drugs and violence. A return to a faith-based approach is needed."

There are many evangelical Christians and political traditionalists who agree. Their argument is that it is from the development of a spirituality that morality takes its nurture. If you move away from religious truth, then morality just becomes a way of expressing your feelings. And though most of us are no longer convinced of the truth of religion, we are still drawing on the dwindling moral capital built up by centuries of Judeo-Christian tradition.

It is not just the backwoodsmen who voice this scepticism of the multi-faith approach. The idea that you can teach religion anthropologically or as a cultural phenomenon is absurd, says Pat Walsh, a philosopher at King's College London, because it can give no basic understanding of what it means to be a believer.

And looking for the common truth behind all religions is a monstrous fudge, insists Henry Hardy of Wolfson College, Oxford. A lowest common denominator of values can only be found by reducing religious "truths" to metaphors and attenuating their power to make the incompatible seem compatible.

Liberalism is under fire from other directions, too. "Liberalism and communism, which purport to supplant or improve on liberalism, are both ideologies of vagueness," insists Ted Honderich, Grote Professor of Philosophy and Logic

at University College, London. "Both get a good press but both avoid saying what distribution of things – economic, social and cultural – there should be in a good society. Both can be interpreted to justify a society of gross inequality or extreme equality."

What liberalism has come to is a vague defence of a lot of things which relatively well-off people want and they use it to oppose poorer people who say they want something different. It avoids the hard facts which medieval churchmen such as St Thomas Aquinas faced up to when he said it was not a sin for the hungry to steal food.

The essential reason why people behave badly is that they feel badly used. To obviate that you need to arrange things in a way which is tolerable to those people.

But creating an arrangement which is tolerable to all Muslims provokes fears in Arnold Wesker. "Blood Libel" is rooted in a specific historical incident, he says, "but it is a metaphor for the persuasiveness of all religious fanaticism – bible-bashers in the US South, Jewish extremists and Muslim fundamentalists. In Islam there are signs of a profound intolerance to other faiths. If you root education strongly in religion, it leads to intolerance."

Such a response raises the question of what we mean by a liberal democracy. Just what are we prepared to tolerate? Not anything. A society which will tolerate even those who reject tolerance will eventually assert its own fragmentation.

What we need to develop in a post-Christian liberalism is an undogmatic pluralism which defines the core values to which the majority subscribe and creates a climate in which the majority feel sufficiently secure to tolerate even those

whose world view they do not share. Religious convictions, where they are deeply held, cannot be privatised. They affect the real world – attitudes to education, family life, sex, and when people want to live and die. If Muslims want their own state-funded schools, there can be no principled argument against that. But should there be constraints about what can be done within them? Could teaching different curricula to boys and girls, for example, ever be acceptable?

John Gray puts it this way: "Do Muslims defend their traditions on the grounds of fairness and parity in a tolerant society? If so, we have to agree to them. But if they defend them because they are 'true', then we have to resist their claim and assert the fundamental values of liberalism. And if necessary, we have to be authoritarian in doing so."

A new British style of Islam can live happily with that, insists Mukadam. "British law and sharia law can coincide. It is only Islamic extremists who want to impose Islam on everyone. What we need is a balanced religion. If we use school to inculcate a moderate Islam, those who benefit under it will feel that the system works for their needs and will support it."

Undoubtedly there are risks involved. But the alternative would be to risk that most Muslims will drift into the moral relativism which has so ill-served the Western world since the decline of Christianity, while the minority will seek succour in fundamentalism.

Defining a post-Christian liberalism, which combines tolerance with a sense of purpose, will not be an easy task. To avoid the challenge will take us into very dangerous waters indeed.

DIARY

Drunkenness and disorder

It seems that Peter Thurnham's resignation of the Tory whip served one useful purpose last week – the brouhaha he created arguably prevented a smaller, but highly embarrassing, story of Tory tactlessness from getting much attention in the national press.

David Shaw, the Tory MP for Dover, used Parliamentary privilege to allege that some of the crew of the *Herald of Free Enterprise* ferry, which sank at Zeebrugge in on 6 March 1987, killing 193 people, were drunk.

"The procedures on board ship were a disaster," he said, "and alcoholism was rampant among the crew. In reality, the officers were not in control – extreme left-wing trade unionists were in control of the ship ... People did not do their jobs because they were drunk."

Given that the ninth anniversary of the disaster is only two days away, his words have caused an outcry among the friends and relatives of the dead. One surviving crewman, Nick Delo, protesting that in the House of Commons the MP could say anything he liked and get away with it, called it "a slur which cannot be unchallenged ...".

Labour inevitably has taken great offence both to the reference to trade unions and to the allegations of alcoholism (they cite the Sheen report which investigated the matter made no mention of this). Now 103 MPs have tabled an early-day motion calling for Mr Shaw's "imminent replacement".

Shaw, despite apparently having the backing of only nine of his fellow Tories, is unrepentant. "Evidence of alcoholism was found after the Sheen report was concluded," he says firmly. "I have therefore not withdrawn the statement.

Random writes

Oh dear, Random House is hard to satisfy. First the publishers had that nasty battle with Joan Collins for not writing

Who's planning?

well enough; then they had that nasty battle with the singer Lisa Stansfield for not writing salaciously enough; now, I hear, they've been having a nasty tiff with the writer William Donaldson, whose autobiography, *From Sunningdale to This*, due out this autumn, has had to be put back a year, because it is – wait for it – too risqué.

"I've just been handed a libel report that is 90 pages long," he tells me, adding proudly, "it is apparently their longest libel report ever."

People, who should start worrying about what Donaldson has said about them are the actress Sarah Miles, the singer Carly Simon (above) and the ex-gangster Frankie Fraser. Donaldson, however, is very blasé. "This libel report is the funniest thing I've ever read," he says smugly. In which case perhaps Random had better publish it.

According to the *Independent*, Donaldson, who seems to be thinking of another book, like a one-acter, writes his books for his audience, not for the critics. "I'm musical or literary, I don't write to perform, as I say, in the theatre, I'm more musical than literary," he says. "I'm not a writer, I'm a reader. I'm a reader of books, I'm not a reader of people."

"We did try to get an agent to handle the words," says the concert promoter John Woolf, wistfully. "But it's very difficult to book them."

Hezza's joke

I am glad to note that Michael Heseltine is speedily getting into anorak limbo for his new role as chair of the new ministerial group on Information Technology. It has been pointed out to me by Oliver Morton, the editor of *Wired* magazine, that a week ago he cracked a "binary system" joke on the BBC's *Today* programme. "No, no,"

he said to John Humphrys, "you are putting two and two together and coming up with 1010." (The point, according to Morton, is that 10 is the written formula for 2 in binary, but four is not 1010; it is instead 100.)

Personally I've heard funnier jokes – but in geek circles, Mr Heseltine, I'm told you are rapidly acquiring heroic break down ... a contingency, I discover, they appear not to have thought of.

Great Powell debate

I would like, if I can, to put an end to Westminster's most tedious debate – how do you pronounce "Powell" – the surname shared by the two brothers, Jonathan and Charles? (The former is chief of staff to the Leader of the Opposition and pronounces it to rhyme with towel. The latter is the former foreign policy adviser to Margaret Thatcher and pronounces it Pole.)

For years the two have been content to differ, but at a cocktail party a few weeks ago the latter confused things by sticking out his hand and saying "How do you do? I'm Sir Charles Pywell ..." "Really, Sir Charles," retorted the damsel, whose hand he was shaking. "Why change the pronunciation now?" "I no longer care what it is," said Maggie's man a tad weary.

THE NEW OKI OL600ex LASER QUALITY PRINTER.

FAST, RELIABLE AND ONLY £399.

BRILLIANT!



The new Oki OL600ex leaves other page printers in the dark.

and lower service costs, and all at a price of around £399 (incl. VAT).

It can produce enhanced pin sharp print to 600 d.p.i. using Oki's MicroRes 600 feature, has LED technology which means fewer moving parts so less breakdowns

This includes a five year warranty on the LED print head as well as a one year on-site warranty on the printer, so the Oki OL600ex easily outshines other comparable page printers.

People to People Technology

LET'S TALK PRINTERS:
0345 414 400
Monday - Friday 8.30 - 5.30. Answering service outside office hours.

Eagle Eye

051 0015474

THE INDEPENDENT

FOUNDED 1986

ONE CANADA SQUARE CANARY WHARF LONDON E14 5DL
TELEPHONE 0171-293 2000/0171-245 2000 FAX 0171-293 2495/0171-245 2435

EDITOR: Charles Wilson

ASSISTANT EDITOR: Charles Leadbitter MANAGING EDITOR: Colin Hughes
SECTION TWO EDITOR: Simon Kelner SATURDAY EDITOR: David Robson
EXECUTIVE NEWS EDITOR: Michael Williams NIGHT EDITOR: Richard HodgeNEWSPAPER PUBLISHING PLC, BOARD OF DIRECTORS:
Liam Healy Chairman; Lord Birrell; Ben Bradlee; Juan Luis Cerdan; Brendan Hopkins
David Montgomery; Javier Diaz de Polanco; Cornel Riklin; Andrews Whitman Smith
ADVERTISING DIRECTOR: Jeremy Reed

Israelis must not vote for revenge

It is not easy to take a long-term view when confronted with the evidence of three suicide bombs in Israel in one week. But that is exactly what the Israelis and Palestinians need to do if they are to avoid destroying the achievements of peace so far. The fact that a minority of belligerent extremists can ignore the long process of peace negotiations, the law and democracy to kill innocent people rightly inspires serious frustration and anger in the rest of the population. But both sides must take care in their response to avoid allowing the militants to derail the peace process altogether.

So far, the central protagonists in the peace process have responded to the bombings by the Islamic militant group Hamas in a measured and sensible way. Shimon Peres, the Labour prime minister, has said simply that he will continue to respect the current agreement on self-rule for the Palestinians, so long as their leader Yasser Arafat does too. And he has avoided the knee-jerk reaction of the right-wing Likud Party whose members are calling for the cessation of all contacts and negotiations with the Palestinians.

The Israeli cabinet has also agreed a series of security measures in its "war" against the terrorists. In fact, there is little any government can do to undermine the potency of a suicide bomber. Tightening security on the borders between Israeli and Palestinian areas, implementing sanctions against the families of the suicide bombers and policing bus routes are unlikely to deter those who are prepared to give up their lives for their cause. But if they help reassure anxious Israelis and dispel the worst of the anger and fear, then they will have served good purpose.

Meanwhile, Arafat's first response from the West Bank and Gaza Strip is also welcome. For the first time, the Palestinian president has outlawed the military wings of Islamic movements in the areas he controls. To be fair, the first two suicide bombers, both members of Hamas, came

from the refugee camp near Hebron which is under the overall control of Israeli security. He needs now to convince the Israelis that he is serious in his promise to take tough action against Islamic militants in his own areas, too. Attempting to marginalise the extremists within Hamas - as he has done in the past - is no longer sufficient. Even so, if Palestinian authority is to count for anything, it has to find ways of clamping down on private armies. Along with the privileges of independence go responsibilities, too. It would be difficult to blame the Israelis for reacting with hostility towards a government they believed was harbouring violent terrorists.

The medium-term prospects for the peace process are more gloomy. In three months' time, Israelis go to the polls. The chances of victory by Mr Peres, who has kept the peace process going after the assassination of Yitzhak Rabin, the former prime minister, now look increasingly slim. If the Likud Party were to win, it would do much to damage the fragile achievements of peace so far.

Likud's position on relations with the Palestinians remains incoherent. It has said it will not reverse the Oslo agreement which provided for the gradual emergence of Palestinian self-rule. However, the process has only just begun and requires day-to-day co-operation and negotiation between the Israeli government and the Palestinian leadership. This would be unlikely under a Likud government led by Benjamin Netanyahu, who yesterday proposed sending Israeli troops into the Palestinian-ruled areas to root out ring-leaders. Any strategy which stopped progress towards Palestinian independence would escalate the violence further.

The sensible strategy for the Israeli government is to continue with the Oslo accord. But progress in the course of this year will depend first on whether the Israeli people have the strength and maturity to avoid voting for revenge.

Who bores wins is the motto for England

"Winning isn't everything, it's the only thing," So said the legendary American football coach Vince Lombardi. In the highly professionalised world of American football, where games are cased in armour, where games follow choreographed routines and disciplined manoeuvres and big bucks are at stake, maybe winning is the only thing that matters. Back in muddy, bloody Blighty, spectators and supporters hope for something better. We believe that sport should enrich spirits and not just line pockets. We want to see our team win, but not with a complete absence of style. The English rugby union team is letting the side down.

Certainly England were playing to win on Saturday. They never blinked from their professional and well-planned strategy to stop Scotland in their tracks. There was little discernible effort by the English to cross the try-line. Points were amassed by reducing mistakes to a minimum and then planting the ball through the goalposts when opportunities arose. No risks were taken, no flanks were opened up. This was a team that won by choking the life out of the game, and the only people who derived real joy from the exercise were the players and management involved.

Perhaps England could be excused if this were a one-off event. The occasional cold-blooded murder of a match is a perhaps legitimate game plan for ball-players. In the critical match of a long tournament, the best approach may well be to adopt defensive and conservative tactics. But to use it as a strategy - as England appears to have done during this Five Nations Championship - is unforgivable.

Of course winning matters, but not to the extent of clinically destroying the inspirational elements of sport. Top-class rugby can be an cauldron of creativity, as New Zealand proved during last year's World Cup, and as the French have shown in seasons past. As rugby union jostles for greater television exposure and more sponsorship money, the game must for the first time address its future as a spectator sport. The rules may need to be changed; attitudes certainly must be.

Furthermore, the long-term effect of England's dour approach is that it will not even guarantee them victory. High-powered teams in the southern hemisphere are light years ahead in tactical thinking and will simply leave England standing. So lighten up, guys. There is one more chance - against Ireland in a fortnight - to release some of the creative talent at your disposal. Ditch the dullness and the defensive tactics. Release Guscott, Underwood and Catt. Who knows, playing for joy may even produce a more effective way of playing to win.

It is perfectly clear to all the

Karadzic's regime in Bosnia

From Professor Adrian Hastings
Sir: I have recently returned from a week's visit to Sarajevo and Mostar with a delegation of the Alliance to Defend Bosnia-Herzegovina. We were fortunate to be able to discuss the current situation at some length with Hasan Muratovic, the new Prime Minister, Dr Kupusovic, the Mayor of Sarajevo, Ambassador Frowick, Head of the Organisation for Security and Co-operation in Europe mission responsible for the coming elections, Herr Steiner, deputy head of the "Office of the High Representative" and Herr Hans Koschnick, the EU administrator in Mostar, among many other people of a variety of viewpoints.

We were greatly impressed by the earnest endeavour of Frowick, Steiner and Koschnick to advance the cause of peace and reconstruction and to prepare the way for free and fair elections. But it also became clear to us that their mission is an essentially unrealistic one unless certain things change. Quite the most important such thing is the continued tight grip on power in Republika Srpska of Radovan Karadzic and Ratko Mladic.

It is perfectly clear to all the

people we spoke to that Republika Srpska is a police state in which there is no freedom of expression and in which two indicted war criminals remain as much as ever in control. It is obvious in these circumstances that it is as farcical to imagine free elections can be held in six months' time.

Theoretically, the international community refuses to recognise Karadzic in any way. In practice, it does so almost daily. The might of Ifor is now achieving very little. It could perfectly well be used, in conformity with its secondary mandate, to mount effective road blocks which would either arrest or demobilise Karadzic.

If that were to happen, a process of reconciliation might well develop quite fast. But while the regime of Karadzic is not only not challenged but is, in reality, actually being reinforced by its control of all relations with international organisations, there can be absolutely no progress in that direction.

Yours faithfully,
ADRIAN HASTINGS
Department of Theology
and Religious Studies
University of Leeds

which will enable us to learn more about Britain's past which, after all, belongs to all of us.

It is unfortunate that Ms Fowler gives the impression that landowners are unhappy with the proposals. In fact there are real advantages for them - especially in the clarification which the Bill brings to the current situation where a trespasser can claim a reward for material removed from a landowner's property without his/her permission while the landowner receives nothing. Perhaps this is why the treasure Bill is supported by both the Country Landowners Association and the National Farmers' Union?

Neither proposal will have any significant impact on metal detector users - many of whom are motivated by an interest in their past and already work closely with archaeologists to further our understanding of the historic environment. It is difficult to understand how anyone could not support simple measures

that's good. I am all in favour of there being novels about the Edinburgh drug world, if only to counter the image of Edinburgh as a stuffy city addicted to scones and Scotch. But I don't actually want to read them. I have read enough books about drugs in my life.

Well, they weren't billed as books about drugs, they were billed as books about jazz, but there was a long time ago in jazz history when drugs and jazz were so intertwined that you couldn't read about one without reading about the other. And now I have done drug books and I don't want to do more drug books.

So why did I buy *Trainspotting*? Well, blow me down, but I think it was because of the title. There was part of me that wanted to find out how a book that was not about trains could be given a title like that, and if I had got far enough, I would probably have found out. That's another symptom of the old material itch of trainspotting - to latch on to some

thing with "train" or "rail" or "express" in the title and explore it even though you know it won't be anything to do with trains at all - in the same sort of way that my eye immediately spots, on any printed page, a word with "zz" in it, just in case it is the word jazz.

That's why, when I was once offered the opportunity to see *Starlight Express*, I grudgingly accepted the invitation, even though it's against my principles to see an Andrew Lloyd Webber musical. I had read that it was about trains. I thought that it might be worth seeing. I was wrong. It was one of the most terrible evenings that I have ever spent in the theatre. But somebody somewhere had correctly deduced or guessed that any title which refers to trains is going to add 5 per cent to its audience figures immediately. It might be a disappointing 5 per cent, but it will be a paying 5 per cent.

That is why I'll hazard a guess that at every performance of *Trainspotting* there will be a small percentage of the audience who will go away unmoved by the drug drama and baffled by the Scots accents but heartbroken that there weren't any trains to be seen.

Sorry, I mean, engines.

all said: "This is not a book about trains, and it is not a book about

trainspotting. It is a novel that deals with the youthful drug underworld of Edinburgh, written in tough, uncompromising language by a man who has been there and knows what he's talking about...."

That's good. I am all in favour of

there being novels about the Edinburgh drug world, if only to counter

the image of Edinburgh as a stuffy city

addicted to scones and Scotch. But I

don't actually want to read them. I

have read enough books about drugs

in my life.

all said: "This is not a book about

trains, and it is not a book about

trainspotting. It is a novel that deals

with the youthful drug underworld of

Edinburgh, written in tough, uncompromising language by a man who has

been there and knows what he's talking about...."

That's good. I am all in favour of

there being novels about the Edinburgh drug world, if only to counter

the image of Edinburgh as a stuffy city

addicted to scones and Scotch. But I

don't actually want to read them. I

have read enough books about drugs

in my life.

all said: "This is not a book about

trains, and it is not a book about

trainspotting. It is a novel that deals

with the youthful drug underworld of

Edinburgh, written in tough, uncompromising language by a man who has

been there and knows what he's talking about...."

That's good. I am all in favour of

there being novels about the Edinburgh drug world, if only to counter

the image of Edinburgh as a stuffy city

addicted to scones and Scotch. But I

don't actually want to read them. I

have read enough books about drugs

in my life.

all said: "This is not a book about

trains, and it is not a book about

trainspotting. It is a novel that deals

with the youthful drug underworld of

Edinburgh, written in tough, uncompromising language by a man who has

been there and knows what he's talking about...."

That's good. I am all in favour of

there being novels about the Edinburgh drug world, if only to counter

the image of Edinburgh as a stuffy city

addicted to scones and Scotch. But I

don't actually want to read them. I

have read enough books about drugs

in my life.

all said: "This is not a book about

trains, and it is not a book about

trainspotting. It is a novel that deals

with the youthful drug underworld of

Edinburgh, written in tough, uncompromising language by a man who has

been there and knows what he's talking about...."

That's good. I am all in favour of

there being novels about the Edinburgh drug world, if only to counter

the image of Edinburgh as a stuffy city

addicted to scones and Scotch. But I

don't actually want to read them. I

have read enough books about drugs

in my life.

all said: "This is not a book about

trains, and it is not a book about

trainspotting. It is a novel that deals

with the youthful drug underworld of

Edinburgh, written in tough, uncompromising language by a man who has

been there and knows what he's talking about...."

That's good. I am all in favour of

there being novels about the Edinburgh drug world, if only to counter

the image of Edinburgh as a stuffy city

addicted to scones and Scotch. But I

don't actually want to read them. I

have read enough books about drugs

in my life.

all said: "This is not a book about

trains, and it is not a book about

trainspotting. It is a novel that deals

with the youthful drug underworld of

Edinburgh, written in tough, uncompromising language by a man who has

been there and knows what he's talking about...."

That's good. I am all in favour of

there being novels about the Edinburgh drug world, if only to counter

the

comment

Birmingham was never really going to have a chance to host the Millennium Festival; it was mean-spirited to pretend otherwise

How do we know Birmingham, Britain's second-largest city? Let me count the ways: Spaghetti Junction, the Bull Ring, flattest accent, cricket ground at Edgbaston, NEC, flamboyant public sculpture (the biggest, and dottiest, is known locally as the "Floozie in the Jacuzzi"), the ghost of Joseph Chamberlain (dynamic Lord Mayor, deceased), reputation as "workshop of the world" (deceased) and, well, you know ...

This may seem a puffed introduction to the city that ran London second in the competition to host the much-feted Millennium Festival that will see EuroBritain pic into the 21st century and beyond. It does however, help to explain why Birmingham never stood a cat's chance in hell of hosting the festival (the Government announced last week, after a numbing delay, that it pre-ferred Greenwich).

Birmingham may have a lot to offer, but what it lacks, and what London has by the bottle-neck, is glamour. Greenwich is a magnificent place sited on a spectacular hairpin bend on the River Thames. It boasts some of Europe's greatest architecture and one of its loveliest parks. It is where time past meets time future in time present. It is both a

lovely home and an unforgettable tourist attraction. Anyone who has been to Greenwich and says, hand on heart, that he or she prefers to be negotiating New Street shopping centre is either a gifted liar or a Brummie in the habit of seeing his city through the bottom of a pint glass of Ansell's ale.

What was wrong with the Government's decision to choose Greenwich is that it took so long about it. While it made up its mind, Birmingham's hopes were raised unfairly. Time, energy, goodwill and money were promiscuously expended as the Government and the Millennium Commissioners flirted with Birmingham, knowing all along that they really wanted to walk up the aisle in 2000 with London. Their behaviour has been capricious, insensitive and demeaning.

If, from the outset, Greenwich had been chosen (London is, after all, our capital city; it is where we should expect to host our biggest national celebration since the Festival of Britain of 1951, or even the

Great Exhibition of 1851), a complementary role might have been found for Birmingham.

Even then, Birmingham's lack of glamour and lack of identity in the national mind make it a poor second-best to, say, Manchester, Sheffield, Leeds, Newcastle or Bristol, to name but four energetic and characterful English cities. As for Glasgow, Edinburgh and Aberdeen, they are glorious world cities in a league from which Brum is excluded.

Although Birmingham has size on its side, it seems something of an urban lightweight in terms of sophistication when compared to the likes of Lyons, Munich, Milan, Barcelona, Antwerp, Geneva or St Petersburg (all of them first-class second cities). Size alone, as other jewel-like British and European cities prove - Bath, Bruges, Durham, Naples, Norwich - is not everything.

Birmingham does boast many of the features a second city requires to make the right noises on national and international stages: it has a capacious airport, com-

prehensive road and rail links, a National Exhibition Centre, a National Convention Centre, a National Indoor Arena, a world-class orchestra (nurtured, until now, by the departing Sir Simon Rattle), public art in abundance, a City Museum and Art Gallery offering a cornucopia of grandiloquent 19th-century canvases.

It has these things, yet it stands on no great river; it has canals instead. No great river means no romantic bridges upon which to stand and stare, no reflections of the city skyline in sunset waters, no sunrise mists on moisty mornings. Look at a map of London and you see a great blue ribbon woven through its dense fabric: this is the Thames. Study a plan of Birmingham and you see a blue band snaking its way through the city: this is the M6.

While other cities are bounded by the sea, by hills, mountain and tributaries, Birmingham is ringed by fuming motorways: M5, M6, M52. Motorways and dual carriage-ways are to Birmingham what canals and lagoons are to Venice.

The car dominates the second city. Study the map again: in the way a Russian doll opens to reveal a succession of diminishing dolls inside, so the centre of Birmingham is hard to conjure in the mind's eye. While we carry illustrated guides of London, Edinburgh, Bath and Liverpool in our heads, however romanticised or inaccurate, the shelf

labelled "Birmingham" is bare. Birmingham lacks a medieval cathedral (St Philip's is an 18th-century church upgraded to cathedral status); St Chad's, the Victorian RC cathedral designed by AWN Pugin, is hidden away on a traffic island; it has no truly grand avenues, few superb buildings (although many fascinating ones, which is not the same thing).

"You've either got or you haven't got style! If you've got it, it stands out a mile," sang Frank Sinatra in the Hollywood musical *Robin and the Seven Hoods*. Birmingham has the nits and bolts, the National Centres and buildings that make it seem, on paper, the sort of second city that might host a Millennium Festival. It does not have London's sense of style. Nor does it have the capital's sense of identity.

Even as the Millennium Festival begins to take shape on the banks of the Thames, Birmingham is becoming ever more a sprawling mass, its parts confused increasingly with those of Walsall, Wolverhampton and Coventry. And while it is possible to love a city, not even the most die-hard millennialist could even begin to love a conurbation. It's a pity they didn't just own up to that fact in the first place.

No one loves a conurbation



JONATHAN GLANCEY

Motorways are to Birmingham as canals are to Venice

The car dominates the second city. Study the map again: in the way a Russian doll opens to reveal a succession of diminishing dolls inside, so the centre of Birmingham is hard to conjure in the mind's eye. While we carry illustrated guides of London, Edinburgh, Bath and Liverpool in our heads, however romanticised or inaccurate, the shelf

Why turn away these perfect citizens?

Barring Hong Kong Chinese from coming to Britain is like throwing away North Sea oil



POLLY TOYNBEE

As he strolls through the leafy grounds of the Governor's country residence and relishes the colonial splendour of Government House today, John Major may well reflect that this could be the last time a British prime minister sets foot on Hong Kong soil as a British colony. When he flies out of Hong Kong this evening, what will John Major have concluded there is to be proud of? What indelible good British values will we leave behind in June 1997?

This ill-gotten little slice of a faraway land, so ignobly acquired in the Opium Wars, will be just as ignobly deserted. The final and abiding symbol of our shabbiness will be 13 elderly war-widows who have been denied British passports - (well, who wants to be "flooded" with widows?). The number of widows goes down with every article written about them, for the obvious reason; not long ago there were 50. A small concession is expected from the Prime Minister: 2 million Hong Kong Chinese, holders of the Hong Kong SAR (Special Administrative Region) passports will have the same right to visit Britain without a visit that the 3.5 million entitled to British National Overseas passports will have after 1997. But none of them will have the right to live or work here. Even this paltry gesture was vigorously opposed in cabinet by the Home Secretary, Michael Howard, afraid it might be a back-door route to illegal immigrants.

A few months ago Governor Chris Patten bravely called for the Government to grant passports to all 3.3 million born and bred in Hong Kong. The future

he caused was all the more disgusting for being so entirely predictable. Michael Howard's blunt refusal was enthusiastically endorsed by Labour's Shadow Home Secretary, Jack Straw, who said that it was neither "appropriate or practical to offer automatic admission to three million Hong Kong overseas citizens." Only Paddy Ashdown has honourably advocated their cause.

Some 50,000 of the best-heeled Hong Kong families are to be allowed passports that will let them live in Britain. The rest of the 3.3 million who were born in the colony will be left to their fate. Late in the day, when many of the richest Hong Kong residents had already made other arrangements to live in countries that welcome

A left-right consensus endorses the spirit of British prejudice

them with open arms - Canada, Australia and New Zealand - Britain added on a tacky little proviso to our No-Chinks-Here policy: they can come in if they have £1m and promise to invest it in treasury bonds. There has not been a noticeable stampede.

Racism is deep-dyed in British politics, with a left-right consensus on immigration that endorses the most foreign-hating spirit of British prejudice. Of the many MPs who have spoken out against Hong Kong immigration, I decided to talk to the relatively insignificant but typical Tory backbencher David Wilshire. He has his finger on the pulse of some of the nastier national attitudes towards immigration, a view of the world from which you, gentle reader of this liberal newspaper, may sometimes be over-protected.

"Just say to them we're full



Goodbye to all that: soldiers in Hong Kong commemorate the end of the war, (left); right: John Major and Governor Chris Patten yesterday

Reuters

"In my pubs immigration and customs officers tell their stories, and maybe with Chinese whispers they get a bit exaggerated. One will say he's just picked up someone saying they're coming on holiday, when they've got a letter from Staines in their luggage offering them a job starting next Monday. Another has Christmas decorations in her case, at Easter. How long is she planning to stay?"

He fulminated about the 40,000 asylum applications a year. I point out that in 1994, only 825 were actually admitted. "You don't need facts for prejudice," he replies wisely. "It's what people think that matters. I know how my people think."

Why do people think what they think? Partly because their prejudices are fuelled by politicians. Language matters. Lord Dubbs reports an eight-year-old Ethiopian girl in her school playground asking her teacher what "bogus" means because the other children keep calling her "bogus", as in "bogus refugee" and "bogus asylum-seeker".

Nice white Britain ethnically clean, colourless, tasteless and lifeless as a thick-cut loaf of Mighty White - imagine a Britain that had never allowed immigration. The list of cultural riches is too long to contemplate, and when would you begin, since "we" are and always have been a mongrel island? A recent report from the London Research Centre celebrated the success of London as Europe's best multi-racial city, where nearly a third of the people will be from myriad ethnic minorities in 15 years' time, cosmopolitan and largely at ease with itself.

Our attitudes towards Asia have become curiously contradictory. The Tiger economies are admired by both Blair and Major. Industrious, studious, ambitious, their people never strike, never divorce, save and prosper. Crimelessly obedient, they are the perfect citizens - if only we were more like them! Personally I am quite glad we



Rome, on the other hand, thrived by embracing the talents of "slaves, strangers, enemies and barbarians" if they would make citizens of merit.

Time and again we are told that real gold lies in human resources - people, education, talent, brain, inspiration and intellectual capital. We live in a world where the successful economies are driven by the best ideas, designs and inventions. Turning away these Hong Kong citizens, sending them elsewhere about the globe, may begin to look like throwing away a treasure trove as valuable as North Sea oil. The brightest and best of Hong Kong, rejected by us, are heading instead for the sun-rise countries. We shall miss their talents as the sun finally sets over the British empire.

The COOPERATIVE BANK

No annual fee. Ever.



Guaranteed free for life • Transfer your existing balance at just 1% per month (12.6% APR variable)

• Example: with a £3,000 balance on a Barclays or NatWest Bank credit card you could save up to £290 over two years* • We will match your existing credit limit • Gold Card limit £3000 minimum • No need to bank with us • Call now.

0800 34 64 94

Call free quoting reference 57095

The bank may decline any application. Credit facilities are subject to status and not available to minors. Customers must use the card at least 10 times per year. Written questions are available on request. *Typical example is based on a transfer balance of £3,000, the balance is repaid in full over a period of 24 months and payments are made 25 days after statement date. Barclays Bank Visa card @ 22.6% APR would cost £89. NatWest Visa card @ 23.4% APR would cost £714. Cooperative Bank card @ 12.6% APR would cost £416. All rates correct as at 19/1/96. Registered Office: The Cooperative Bank plc, PO Box 101, Balsall Heath, Moseley, B45 4EP.

The defeat of left-wing governments in Spain and Australia is good news for Tony Blair, says Peter Kellner

When democracy means it's time for a change

Politicians often look abroad in order to instruct themselves and inspire their followers. Neil Kinnock made friends with Spain's Felipe Gonzales, and used to cite his success to show that socialists could return from the wilderness. Tony Blair is close to Australia's Paul Keating, whose economic and social strategy helped to shape Blair's vision for New Labour.

Now Gonzales and Keating have been swept away by their own voters. The right is back in power. So have Labour's modernisers in Britain got it all wrong? Should they be looking to Spain and Australia to discover the mistakes to avoid, rather than the lessons to copy?

The short answer is: no. The reason Blair and his colleagues can afford to be relaxed about this weekend's two elections is that they both follow 13 years of one party holding continuous office; the voters in Spain and Australia had decided it was time for a change.

In many respects the news is worse for John Major than it is for Blair. The last elections in all three countries (Britain in 1992, Spain and Australia in 1993) were won by the incumbents against the odds and against vulnerable

Germany and the United States turned right; France, Spain and Australia turned left.

All six countries then enjoyed, or endured, at least 12 years of political stability. If we add Italy and Japan (whose governments had remained more or less unchanged for longer), then we see that the Eighties were balmy years for governing par-

Opinion polls round the world show the discontent of voters

ties in much of the world. During the past four years, however, six of the eight incumbents have been ejected - and the other two have been lucky to hold on.

George Bush lost the White House in 1992; Italy's Christian Democrats and Japan's Liberal Democrats were ousted in 1993; France's socialists lost last year's presidential elections, and now Spain and Australia are turning right. The two exceptions are Britain and Germany; but both ruling parties lost seats at their last elections

and came within a whisker of losing power.

Of course, it might all be just coincidence. Each country has different political systems, different economic records, and different electoral rhythms. Yet there are common features. We are becoming used to talk of a global economy; perhaps we are also seeing the beginnings of a sort of global politics.

The global politics thesis observes that the middle and late Eighties saw a worldwide economic boom. Not everybody did well, but enough people in most democracies prospered enough to reward their governments with re-election. The Nineties have been much harder. Growth has faltered. Well-paid jobs have been harder to find. Welfare systems have faced increasing strain. Inequalities have widened. Above all, opinion polls round the world show an increase in middle-class insecurity.

These generalisations do not apply to the same degree in every country; nor are the trends identical. Yet it is striking how similar are the elements of voter discontent that have caused so many countries to change their political direction after such long periods of stability.

This brings us to the first caveat for Blair as he contemplates his chances of being the next beneficiary of a worldwide tendency to vote for change. He may win power next time, but can he keep it the time after?

Could it be that we are seeing not simply a series of one-off changes round the world, but the beginning of a new era in which governments will be less and less able to satisfy their electorates' demands for jobs, welfare and other opinion polls do him.

Blair has a substantial constitutional agenda for Britain. Different people will disagree about whether it is too radical or not radical enough. What is certain is that it will occupy a great deal of legislative time if Labour wins the next election. Keating's defeat suggests a blunt lesson for any Labour politician who thinks constitutional reform is the route to short-term electoral success: just forget it.

TODAY

Interims:
Close Brothers, Cornwell
Parker, Hays.

Finals:
ADT, Avonmore Foods, BBA
Group, British Polythene,
Cementone, EFT Group,
Enso-Gutzeit, General Cable,
Intrum Justitia, Mackie Inter-
national, Perkins Group,
Reylon Group, Smith &
Nephew.

Annual General Meetings:
AG Barr, Eurocopia, Haemoc-
cell, Treat, United Breweries,
EGMs.
Edinburgh Fund Managers,
Excalibur Group, United
Breweries.

Economics
Weekly returns for the amount of
notes and coins in circulation
suggest that the narrow
money measure, M0, for February
is likely to show a sizeable
jump today. Analysts
expect a 0.8 per cent rise, tak-
ing the 12-month growth rate
up from 5.3 to 5.9 per cent –
well above the Government's

0 to 4 per cent monitoring
range. However, it is not ex-
pected to derail a base rate cut
on Thursday, unless there is a
very adverse reaction in the
financial markets.

The Halifax house price in-
dex is likely to show another
monthly rise in February, fol-
lowing the unexpected rise re-
vealed by the already published
Nationwide price index.

Also UK February official
reserves: German January
trade balance and current
account (during week); US
December/January personal
income and consumption.

TOMORROW

Companies
It is unclear whether Scottish
Television will be a predator or
a target in the next round of
consolidation within ITV. If a
predator, ITV, in which Scott-
ish has recently acquired a 20
per cent stake, is the most
likely target. However, the
United/MAI deal suggests that
Scottish may have already left
it too late to make a move

without facing competition for
HTV. Analysts expect Scottish
to announce roughly doubled
pre-tax profits of £18.5m, and
a dividend up 2p to 16p.

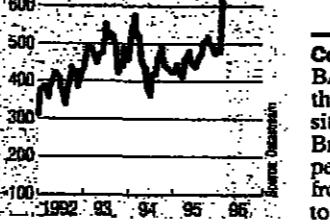
Interims:
British Biotech, European
Leisure, Finelist Group, Linx
Printing Group, Rainex.

Finals:
AECL, Bluebird Toys, BSM
Group, Burnfield, CRH, De
Consolidated Coal.

Economics
UK November-January ad-
vance energy statistics. Also.
US Jan factory goods orders
and durable goods orders.

THE WEEK AHEAD

Scottish TV
Share price, pence



WEDNESDAY

Companies
BA1's results will benefit from
the American Tobacco acquisi-
tion and the recovery in
Brazil. Pre-tax profits are ex-
pected to increase to £2.445m
from £1.953m, and the dividend
to 24p from 21.9p. Prospects

beyond 1996 are better indi-
cated by progress elsewhere.
Financial services will benefit
from the smoothed unrealised
capital gains at Eagle Star.

Cadbury Schweppes is likely
to, yet again, deliver the best
performance in the forthcoming
Food Producers' March
results season. Annual pre-tax
profits are forecast to rise from
£178.8m to £152.5m, after the
£37m Dr Pepper restructuring-
charge following the latter's ac-
quisition. The dividend should
rise from 15.6p to 16.7p.

Interims:
None scheduled.

Finals:
BWD, Securities, Cadbury
Schweppes, Candoover Invest-
ments, Glaxo Wellcome, Oak-
ham Holdings, PTS Group, Stat-
Plus Group, Strong &
Fisher, T&N, Vickers, Wood-
chester Investments, Wyevale
Garden Centres.

AGMs:

Code Group, Dawson Hold-

ings, Royal Bank of Canada.
Economics
UK January housing starts.
Also US December/January
housing completions and new
home sales. US fourth-quarter
non-farm productivity.

THURSDAY

Companies

Cookson is forecast to enjoy a
21 per cent increase in organic
earnings to 17.9p per share. But
growth is already priced into

the shares and future perfor-
mance depends upon the pric-
ing outlook in electronics and
the durability of the current
semiconductor boom – both
look questionable. Dividend
should rise from 7.0p to 7.8p.

Interims:
Conrad, Galford, A&J Muck-
low, Renishaw.

Finals:

Arjo Wiggins Appleton, T
Clarke, Cookson Group.

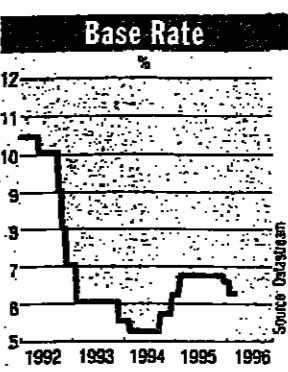
Economics
A quarter point reduction in
base rates to 6 per cent is
firmly expected after the mon-
etary meeting between Chan-
cellor Kenneth Clarke and
Eddie George, Governor of
the Bank of England. The
Bank lowered its inflation
forecast substantially in its
quarterly *Inflation Report* last
month and is unlikely to resist
another cut in the cost of bor-
rowing, unless for reasons of
timing.

The CBI Distributive Trades
Survey gives an early snapshot
of the pace of retail sales in
February.

Also US weekly jobless
claims; January leading eco-
nomic indicators; January con-
sumer credit; German
fourth-quarter GDP.

FRIDAY

Economics
US employment and unem-
ployment rate for February.
Analysts expect sizeable
bounce back in number of
jobs.



Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The p/e ratio is the share price divided by last year's earnings per share, excluding exceptional items. Other details: x Ex rights x Ex dividend x Ex all or part of Unlisted Securities Market & Suspended Source: Finstat.

The Independent Index

The index allows you to access real-time share prices by phone from Seqq. Simply dial 0991 123 335, followed by the 4-digit code printed next to each share. To access the latest financial reports dial 0991 1233 followed by one of the two-digit codes below.

FTSE 100: Real-time 20 Stirling Rates 04 Privatisation issues 36

UK Company News 02 Wall St Report 20 Electricity Shares 40

Foreign Exchange 03 Tokyo Market 41

Anytime with a tone-dial telephone can use this service. For a detailed description of The

Independent Index, including its portfolio, faculty, phone 0991 123 333.

Call cost 35p per minute (cheap rate), and 45p at all other times. Call charges include VAT.

Interest Rates

UK 6.3% Germany 300% US 8.75% Japan 0.50%
Ireland 3.8% London 500% Discount 5.25% Discount 300%
Italy 8.0% Canada 550% Discount 5.50% Discount 330%
Netherlands 8.0% Denmark 425% Discount 4.25% Discount 4.00%

Advances 3.00% Lombard 4.00% Discount 4.00% Discount 4.00%

Media 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

International 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Engineering 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Extractive Industries 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Electronics 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Food Manufacturers 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Electronics 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Gas Distribution 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Health Care 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Investment Companies 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Leisure & Hotels 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Investment Trusts 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Household Goods 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Gas Distribution 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Food Manufacturers 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Electronics 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Engineering 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Extractive Industries 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Electronics 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Food Manufacturers 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Electronics 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Gas Distribution 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Health Care 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Investment Companies 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Leisure & Hotels 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Investment Trusts 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Household Goods 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Gas Distribution 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Food Manufacturers 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Electronics 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Engineering 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Extractive Industries 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Electronics 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Food Manufacturers 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Electronics 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Gas Distribution 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Health Care 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Investment Companies 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Leisure & Hotels 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Investment Trusts 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Household Goods 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Gas Distribution 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Food Manufacturers 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Electronics 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Engineering 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Extractive Industries 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Electronics 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Food Manufacturers 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Electronics 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Gas Distribution 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Health Care 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Investment Companies 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Leisure & Hotels 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Investment Trusts 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Household Goods 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Gas Distribution 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Food Manufacturers 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Electronics 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Engineering 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Extractive Industries 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Electronics 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Food Manufacturers 8.0% Discount 4.00% Discount 4.00% Discount 4.00%

Electronics 8.0%

NatWest looks to the future with an Orange credit card

DIANE COYLE
and MARY FAGAN

Orange, the mobile telephone company, and NatWest are planning a joint credit card venture. An Orange-branded Visa card, administered by NatWest, could be launched later this year.

A letter of intent has already been signed for the venture, which would offer Orange

marketing access to NatWest's existing six million credit card holders as well as allowing the mobile operator to offer an additional service to its customers. NatWest would gain in return access to Orange's 450,000 subscribers and the benefit of its strong brand image on the card.

The move follows the announcement last November of a joint venture between Cellnet and Barclaycard. Cellnet

subscribers can get basic financial services over the airwaves, and the system will evolve to give access to more sophisticated services through a menu on the mobile handset.

The huge success of Orange's assault on the mobile phone market since its launch in April 1994 has prompted the two dominant operators, Cellnet and Vodafone, to retaliate with what appears to be the begin-

ning of a price war. Competition on the sophistication and quality of service is also fierce.

The new Orange credit card – described by one of those involved as "a very interesting idea" – will offer an attractive interest rate. Competition in the credit card market increased recently with the launch of new, relatively low-interest card by RBS Advanta – a joint venture between Royal Bank of Scotland

and US-based financial service company Advanta – last month.

NatWest is one of Britain's biggest card issuers, along with Barclays, the market leader, TSB and Midland. Low-interest card issuers such as the Co-op, RBS and Halifax have a small market share.

Orange plans to float on the stock market later this month and has already registered almost 60,000 people as potential in-

vestors. The listing is expected to value the company, owned by the Hong Kong conglomerate Hutchison Whampoa and British Aerospace, at £2.2-£2.4bn.

Orange has launched a £5m advertising campaign ahead of the flotation, and has spent about £14m a year on advertising and marketing since its launch in early 1994. It has firmly established its name in a market originally dominated

Gavyn Davies: What Clarke should do next

Interview: Bank of England's Michael Foot

Week ahead/ share prices

CITY & BUSINESS EDITOR: JEREMY WARNER

Labour may crack down on utility takeovers

MARY FAGAN
Industrial Correspondent

A Labour Government would consider demanding separate listings on the London Stock Exchange for all UK water and electricity firms which are foreign-owned or are subject to takeovers and mergers. The Labour Party's proposal is driven by fears that consumers would suffer if privatised utilities that are absorbed into larger groups prove difficult to regulate.

The issue will be raised this week by Richard Caborn, shadow minister for competitiveness and regulation, at meetings

prospect of enforced separate listings would act as a strong incentive for predators scouring the UK for potential targets.

The electricity sector has seen a spate of takeovers and mergers. Eastern Electricity, one of the largest regional firms, was absorbed into Hanson and South Western Electricity was taken over by Southern Electricity International of the US. There is speculation that Yorkshire Electricity will be the next to go.

Ian Byatt, the water industry regulator, has already warned that he wants separate listings for companies that fall subject to takeovers or mergers. The Government bowed to his advice in the recent takeover of Northumbrian Water by Lyonnaise des Eaux of France, demanding that the French group list all its UK water interests separately on the Stock Exchange by 2003.

However, Mr Caborn is thought to be concerned about the electricity industry, where the watchdog, Professor Stephen Littlechild, has chosen not to go down that route. It could also become a contentious issue if, as some expect, British Gas decides to back out of public gas supply by selling off operations in different parts of the country.

Mr Caborn is worried that foreign-owned companies will exploit weaknesses in the UK regulatory system by consolidating accounts and cross-subsidising other parts of their group from the profitable utilities businesses which serve the public.

Apart from continuing speculation over Yorkshire Electricity, the industry is also awaiting the outcome of inquiries by the Monopolies and Mergers Commission into the proposed £2.5bn takeover by National Power of Southern Electric and PowerGen's desire to buy Midland Electricity for £1.9bn.

City analysts believe that the

with the European Commission and Parliament. He will also push the idea of a European Union regulators' forum to promote common standards and a level playing field.

Mr Caborn will warn that the rest of Europe must not follow Britain's "laissez-faire" and "inadequate" approach to regulation with the opening up of their national energy and water markets.

He is to consult with the Commission on the legal and technical problems of ring-fencing utilities owned by large US and European conglomerates.

City analysts believe that the

Mr Caborn is worried that foreign-owned companies will exploit weaknesses in the UK regulatory system by consolidating accounts and cross-subsidising other parts of their group from the profitable utilities businesses which serve the public.

Apart from continuing speculation over Yorkshire Electricity,

the industry is also awaiting the outcome of inquiries by the Monopolies and Mergers Commission into the proposed £2.5bn takeover by National Power of Southern Electric and PowerGen's desire to buy Midland Electricity for £1.9bn.

City analysts believe that the

Mortgage war set for further escalation

DIANE COYLE
Economics Correspondent

The mortgage price war is poised to intensify this week if the Chancellor, Kenneth Clarke, lives up to expectations by cutting a quarter point off base rates after his meeting with the Governor of the Bank of England on Thursday.

However, many of the big lenders are expected to offer selective mortgage discounts rather than reducing their basic variable rate.

Banks and building societies that are planning a stock market listing are reluctant to compete head-on with Nationwide's recent cut in its mortgage rate to 6.09 per cent, announced to demonstrate to its members

the benefits of remaining a mutual society.

A spokeswoman for Alliance & Leicester, which announced its plans to convert and join the stock market early last month, said: "The mortgage market is so competitive that the standard rate is only one part of a marketing strategy." Alliance would review its strategy if base rates fell this week, she said, adding that the interests of savers had to be taken into account as well.

Smaller mutual societies such as Skipton and Bradford & Bingley have already welcomed Nationwide's move and are expected to announce new measures shortly, even if base rates do not fall this week.

However, most analysts in the City firmly expect the Chan-

cellor to shave rates by another quarter point, taking them to 6 per cent, following earlier reductions in December and January.

Manufacturing industry is stagnating according to recent evidence, while the economy's pace of growth has slowed to well below its long-run trend.

The Bank of England is not expected to resist a reduction in borrowing costs. Last month it lowered its inflation forecast, and said the Government was more likely than not to hit its inflation target.

Official figures for the narrow money measure M0, due today, and unexpected turbulence in the financial markets present the main potential obstacles to lower borrowing costs.

Australian election could put Black in front in Fairfax race

MATHEW HORSMAN

Labor's weekend defeat in the Australian election will give a boost to the Telegraph group, which has been locked in a high-stakes battle with media barons Kerry Packer and Rupert Murdoch over control of Fairfax, the Sydney-based newspaper company.

The Telegraph, whose chairman and majority owner is Conrad Black, the Canadian press baron, has been lobbying fiercely to be allowed to raise its stake in Fairfax to above 25 per cent, but has been stymied by strict ownership rules.

According to Telegraph insiders, the victory of the Liberal Party in elections on Saturday is likely to lead to a relaxation of the limits, allowing the Tele-

graph, publishers of the *Daily Telegraph* and the *Sunday Telegraph*, to build up its stake.

Leading the company's campaign for changes to the limits has been Daniel Colson, Mr Black's vice-chairman and Mr Black's main UK-based lieutenant.

Mr Packer, who owns the Nine television network, has amassed a 15 per cent holding but has been barred from going higher because of media cross-ownership limits. Mr Murdoch has about 5 per cent, but is also barred from going higher than 15 per cent because of his Australian television interests.

The company publishes several high-selling titles, including the *Sydney Morning Herald*, the *Age* and the *Australian Financial Review*. It is also a large regional newspaper publisher.

It is also a player in the country's embryonic pay-TV market, through a joint venture with the Australian Broadcasting Corporation and Cox Communications. Last year, it bought 50 per cent of an independent production company.

But Telegraph management is convinced the company has a bright future, and aims to win outright control if permitted.

Fairfax is near the end of a three-year A\$500m capital investment programme, which will culminate in the opening of a state-of-the-art printing complex in Sydney this year.

The company publishes several high-selling titles, including the *Sydney Morning Herald*, the *Age* and the *Australian Financial Review*. It is also a large regional newspaper publisher.

It is also a player in the country's embryonic pay-TV market, through a joint venture with the Australian Broadcasting Corporation and Cox Communications. Last year, it bought 50 per cent of an independent production company.

But Telegraph management is convinced the company has a bright future, and aims to win outright control if permitted.

Fairfax is near the end of a three-year A\$500m capital investment programme, which will culminate in the opening of a state-of-the-art printing complex in Sydney this year.

The company publishes several high-selling titles, including the *Sydney Morning Herald*, the *Age* and the *Australian Financial Review*. It is also a large regional newspaper publisher.

It is also a player in the country's embryonic pay-TV market, through a joint venture with the Australian Broadcasting Corporation and Cox Communications. Last year, it bought 50 per cent of an independent production company.

Supermarket price rise predicted

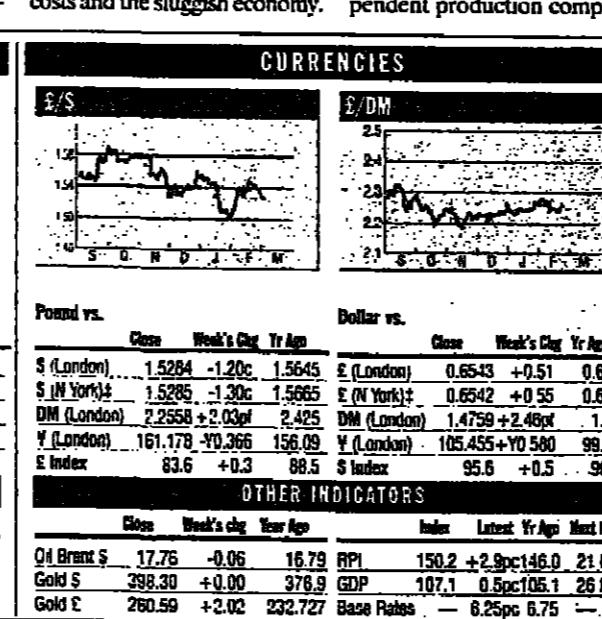
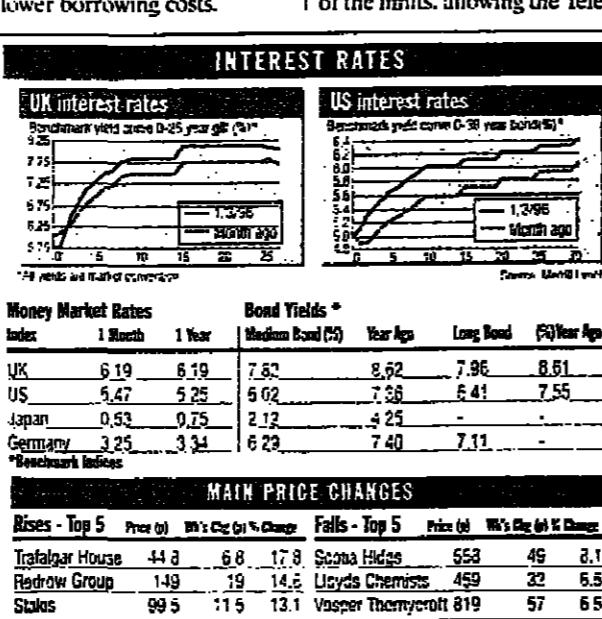
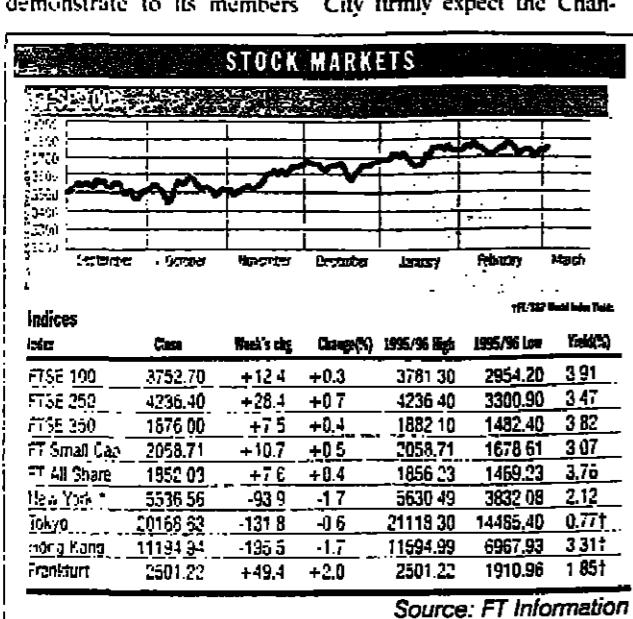
Supermarket food prices will rise 4 per cent this year, the Centre for Economics and Business Research predicts in a report published today. The consultancy says heavy price discounting has cut net profit margins by an average of 1.3 per cent during the past three years. The discounts generated no identifiable change in total sales, the research found. Volumes did not rise enough to recoup the revenue lost from lower prices. Other marketing efforts, such as advertising, were far more likely to boost sales.

Liffe enjoys a leap in February trades

Liffe, London's financial futures exchange, had its busiest month ever in February. It traded a record 18,04 million contracts, 53 per cent higher than the same month last year. Average daily turnover was a record £210bn. The previous peak was 17,83 million in February 1994, during the bond market crash. Trading volumes in 1996 so far are 42 per cent ahead of last year.

ShareLink condemns 'hybrid' market

A proposed hybrid UK stock market, combining order- and quote-driven systems, would be unworkable or expensive, retail broker ShareLink said yesterday. Its chief executive, David Jones, said the existing quote-driven system was undermining the City's status.



كذا من الأجل

GAVYN DAVIES

'There is a tendency for rate changes to be in reaction not to the future behaviour of inflation but to its behaviour in the recent past. Central banks appear to be driving while looking in the rear view mirror.'

Chancellor should not snatch at base rate cuts

At the monthly monetary meeting in January, the Chancellor made a comment which gives a valuable insight into the way his mind may be working on base rate policy. He pointed out to the Governor that he had acted promptly and pre-emptively to raise interest rates when inflation pressures were rising in 1994. This, he said, has earned him the right to act similarly decisively on the way down. With the Bank of England now predicting that inflation will be just below the 2.5 per cent target next year (see graph), the financial markets expect another base rate cut to be announced this week.

The authorities have given a lot of thought lately to the speed of adjustment of monetary policy in response to new economic information. There is a feeling in official circles that the UK, like other countries, has had a tendency to react too slowly to changes in the economic climate, and then to eke out interest rate changes for far too long. This pattern of 'too little too late' is obviously less than ideal, and it has probably contributed to the instability of the economy in the recent past.

Why do central banks act like this? A superb new study of central bank behaviour by Charles Goodhart at the LSE provides some of the answers. He starts by making a fascinating point, which is quite hard to grasp at first, but becomes more telling the more you think about it. Central banks, he believes, are all trying to do the same thing, no matter how they choose to formulate the precise targets which officially guide them. They are basically trying to stabilise prices

in the period ahead, which translated into the real world means holding the officially measured inflation rate to 2.5 per cent or less a year or more into the future. In other words, they are all actually doing exactly what the Bank of England now claims in public to be doing.

Policy at any given moment should therefore be set such that the forecast for inflation a year or so ahead is 2.5 per cent. If this is the case, then changes in policy should be triggered only by a shock which alters the inflation forecast over the relevant horizon. These shocks should be random if the system for forecasting inflation is efficient – in other words, shocks which raise inflation relative to the target should be just as likely as

shocks in the opposite direction. And here comes the main point. If the shocks are random, then so too should be the policy response – that is, the pattern of base rate changes should itself be random. Therefore, when we come to examine the behaviour of the authorities over time, we should see a series of higgledy piggledy moves in interest rates which do not follow a neat orderly pattern. A good central bank, on this definition, might be one which raises rates by a point in one month, cuts them by a point and a half the next, and then raises them again a couple of months later.

But instead of this haphazard pattern, which would be optimal, we see precisely the reverse – a series of smallish changes coming at frequent intervals which have a phenomenal tendency to be all in the same direction. When there is a change in base rates in the UK, for example, it is four times as likely to be in the same direction as the last change as it is to be in the opposite direction. Furthermore, there is a tendency for these changes to be in reaction not to the future behaviour of inflation, but to its behaviour in the recent past. Central banks appear to be driving while looking in the rear view mirror. Their broad rule, according to Goodhart, is that they react to a 1 per cent rise in reported inflation by increasing interest rates by about 0.15 per cent per quarter for four or five successive quarters.

Goodhart suggests that central banks behave like this because they need to be able to point to a worsening in actual reported

data in order to sustain public support for interest rate changes. Forecasts are not enough. And some people have argued that this backward-looking behaviour might not be a bad thing – that monetary policy should indeed be based on published data for historic inflation or nominal income. Forecasting has a bad name, and even Eddie George has allowed himself to argue that it is inherently too uncertain for it to be central to the policy process. Therefore why not wait until published information is available, or (in a different formulation of a similar point) why not act only when explicit 'lead indicators' such as monetary growth, say you should?

These arguments may seem beguiling, but on close inspection they become totally incomprehensible. The fact that forecasting is imperfect does not mean that it is entirely useless. There is a very large gap between a view of the future which is held with perfect certainty, and one which is held with no knowledge whatsoever. Clearly, the present state of economic forecasting comes somewhere in between – it is far from perfect, but it is much better than saying you know nothing at all about the future. Since everyone would agree that monetary policy affects inflation only with a lag of about 12-18 months, it cannot make sense to throw away whatever knowledge we can glean about the future when base rate decisions are made.

The present rate of inflation conveys almost no knowledge about the future, so it should be discarded as a policy tool without further thought. And growth in the monetary aggregates scarcely does any better. It

does admittedly convey some information about the future, but many other variables can add to this information, so they should be used as well. To use historic inflation data to guide policy is to tie both the Chancellor's hands behind his back; to use the monetary aggregates is to tie one hand. Only by using all the available information in a coherent forecasting system does the Chancellor have both hands free.

Now back to the question of what the Chancellor should do next. On the argument just outlined, the authorities should be moving over time to act more decisively and earlier in response to changes in the economic climate than they have typically done in the past. This might indicate that base rates should drop by (say) another half point quite quickly. But unfortunately, as the Governor has been arguing, the authorities need to worry about building their credibility over time, as well as about the need to act quickly and decisively.

This means that, for a while at least, they should exhibit a clear tendency to move interest rates more quickly on the way up than on the way down. This is especially the case when the markets doubt whether the Government would be willing to reverse the trend again, should it prove necessary, just before the election. The Governor always looks like a spoilsport when he argues this, and he is often accused of being an 'inflation nutter'. But actually he is quite right – credibility matters. Like virginity, it is easier lost than regained.

The nightmare on Threadneedle street is over but the new head of supervision will not be allowed to forget it. He spoke to John Eisenhamer

Picking up the pieces at the Bank

Michael Foot is a lucky man. After all, he could have taken over as the top dog of supervision at the Bank of England this time last year. Instead, he moved gently into the executive director's office on 1 March with the Nightmare on Threadneedle Street now comfortably distant in City memories. 'Pretty grim', 'very difficult' and 'rather fraught' are just some of the ways Mr Foot chooses to remember 1995 at the Bank.

There was Barings of course. A City establishment humiliation of the first order, that shook the Bank of England's supervisory mandarins to the core. Then there was the embarrassing departure of the deputy governor, Rupert Pennant-Rea, following exposure of his sexual escapades within the Bank's imposing walls. Last, but certainly not least, in terms of the Bank's battered self-esteem, there was the public battle of wills with the Chancellor of the Exchequer over interest rates. Not only was the Bank overruled by the politicians, which happens regularly, but it also lost the intellectual argument, which is not meant to happen.

Staff morale was low, as a confidential survey conducted by an outside body showed last August. The Bank was on the wrong end

of regular pastings in the media. The supervision department, where Michael Foot was deputy to Brian Quinn, a wily Scot with 14 years behind him at the Bank, was particularly targeted. Spectres from the past, Johnson Matthey Bankers and BCCI, rose up to join forces with Barings in public invective against supervisors who seemed to have been asleep at the wheel.

The public criticism, the sniping, was thoroughly unpleasant, personally offensive – but if you can't take it you shouldn't be in supervision," reminisces the 49-year-old Mr Foot.

Any connection between the Barings debacle and Mr Quinn's stepping down are purely coincidental, the Bank insists. It let it be understood that Mr Quinn, who is 59, had asked the Bank's court of directors before the Barings collapse not to appoint him for a third term. But it does allow Mr Foot to take over at a time of great potential for change and improvement. For all the Bank's vigorous defence of its supervision record, there is no escaping the fact that the Barings investigations exposed weaknesses that the Bank is now working to put right.

The Board of Banking Supervision's report into Barings made a host of recommendations

for change, which boil down to formalising and strengthening the Bank's procedures for identifying those areas of its banking charges' businesses that pose the greatest risk and so require the closest attention. There was too great a reliance previously on individual judgement, as typified by the only senior Bank official dismissed after Barings, Christopher Thompson, who had left a

THE MONDAY INTERVIEW

MICHAEL FOOT

potentially critical request for clarification from Barings lurking in his in-tray.

The criteria our line managers used before were qualitative, relying on the knowledge and judgement of the individuals dealing with the banks to pick things up. Now we are developing a whole set of yardsticks which will flag up the things that need to be questioned. As far as we know we are going further than any other supervisor in the world," says Mr Foot.

Arthur Andersen, the accountants, have been brought in to run the Bank's processes through the consultancy mill. Late next month, or more likely into May, they are expected

to deliver their thoughts on establishing a so-called Quality Assurance Mechanism, which most of the big accounting firms use to review management decisions and practice on a continuous basis.

Arthur Andersen is a management-driven thing. They are here to help us as managers to manage the process. By the time they are finished we will

have been triggered at some point in 1993 or early 1994, and had we known of the letters of comfort from Barings bank to the various securities operations within the group, it could have triggered the third yardstick quite early on as well as the large quantities of cash going out in late '94," Mr Foot says.

Hardly surprisingly, he is unimpressed by those arguing that the Bank should be stripped of its supervisory responsibilities and left to concentrate on monetary policy. He does not even believe that a future Labour government is all that committed to these sort of radical reforms.

"Alastair Darling (Labour's City spokesman) has spoken several times of the fact that the Bank of England has an international reputation, and that one must be careful not to damage the City of London's overall appeal. This certainly falls well short of any commitment to the more radical changes some talk about," says Mr Foot.

Pointing to much closer cooperation with the Securities and Futures Authority since

Barings, Mr Foot says a lot can be done without changing the structures. "Shuffling brass plates on the door itself does nothing. It is really only Japan that has a structure bringing securities and banking supervision under one roof, and if you want an example of how bad cooperation can be when under one roof then you need look no further than Tokyo.

Furthermore, he argues, "all other countries that brought supervision under one roof tend to have rather small financial markets, such as the Scandinavians. Is this cause or effect?"

But as he drives forward the changes to the Bank's supervisory machinery, Michael Foot is not trying to forget the dark days of 1995 completely. In true British spirit, Barings brought an element of Dunkirk to Threadneedle Street, he believes.

"It brought together a group of people under tremendous pressure. Most of them look back on it as the most interesting, tremendous period of their life. There was an *esprit de corps* – you found out who can take it, and who cannot."



Sniper's target: The public criticism was unpleasant, says Michael Foot, but officials have to be able to take it

When profits and Wall Street are un-American activities

VIEW FROM NEW YORK

You probably know the joke by now: AT&T stands for Allen and Two Temps.

Newsweek emblazoned the headline "Corporate Killers" on a recent cover with images of such corporate chiefs as Allen himself, Louis Gerstner of IBM and Albert Dunlap, formerly of Scott Paper. Beneath the faces were the numbers of jobs each had eliminated. Columnists everywhere have mused about an impending backlash in the workforce and the need for a new spirit of corporate responsibility.

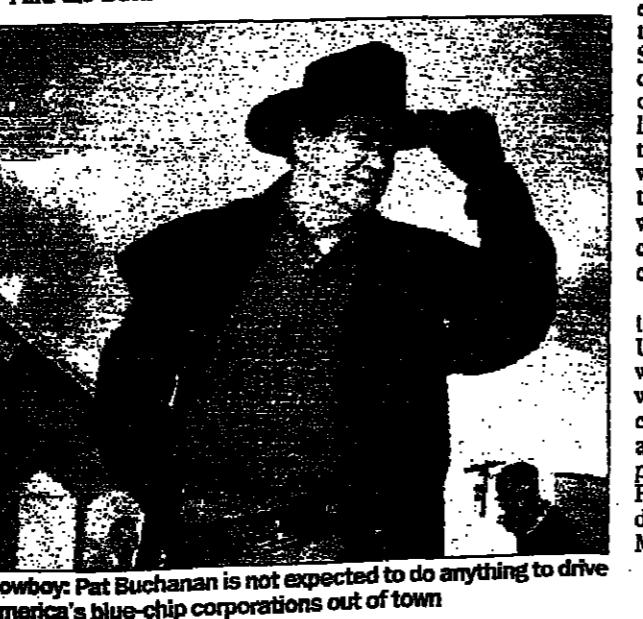
There are multiple reasons for the excitement. For one, you have a Republican – and, on social issues, an ultra-conservative one – attacking the constituency that the party has traditionally counted on for money and support. Furthermore, Mr Buchanan has managed to drag in others of his party, including Senator Bob Dole.

And the Buchanan rhetoric

fits well with the widely shared observation that whatever the statistics say about economic recovery – falling rates of unemployment and low inflation – there is still no discernible feel-good factor among America's voters. Rather, there is a discernible middle-class angst. An estimated 3.1 million lay-offs have been announced since 1989. While wages and benefits rose just 2.8 per cent in 1995, according to US Labor Department figures, corporate profits climbed 22 per cent. The actual purchasing power of workers has remained flat for the last 15 years.

And those who toil for those profits seem to be losing some patience. The latest issue of *Business Week* includes the results of a Harris poll that shows, for instance, that 94 per cent of corporations should be concerned about more than just making money.

However, as far as anyone can



Cowboy: Pat Buchanan is not expected to do anything to drive America's blue-chip corporations out of town

tell, Mr Buchanan is not proposing anything beyond throwing up some wall around America to keep out cheap imports and discourage illegal immigrants. As to how corporations like AT&T might be nicer to their employees, Mr Buchanan has said nothing. The logical conclusion to his tirades would be to encourage a "stakeholder" approach in American industry. How about a Social Charter for the US?

Not everyone, however, is impressed by Newsweek. Mr Dunlap, whose Scott Paper is now part of Kimberly-Clark, had this to say about government intervention:

"Politicians don't seem to be getting the message. They pander to the public and polarise people. And they try to tell American industry how to conduct its business. God help us if we pass legislation to make American companies less productive and compromise our global competitiveness." In their hearts, neither Mr Buchanan nor Mr Dole are likely to disagree.

Some Democrats have, however, woken up to this opportunity to take the initiative. Senator Edward Kennedy has called for legislation that would oblige companies to report publicly on the steps taken to protect the welfare of their workers. Two other Democratic senators have tabled bills that would create tax breaks for companies that demonstrated concern for their employees.

And it is just possible that, after 10 years, downsizing in the US may have peaked. In the week of 14-21 February, there were half the number of lay-offs compared with the same week a year ago. But there is another possible explanation: until DuPont, no other corporation had dared risk replacing AT&T as Mr Buchanan's target.

DAVID USBORNE

The Marketplace Franchise IS IT FOR YOU? Pizzas, carpet cleaning, car servicing. Good franchises for some people – but not everyone! If you are looking for a franchise in a professional business area, The Marketplace Franchise may well be for you.

The Marketplace is a local publishing franchise and it makes you a publisher. It also offers very attractive rewards, backed by top quality support to ensure your success while you develop your own business.

If you can offer sound business acumen: if you have £15,000 to invest to back your confidence in your own abilities, and if you have the instincts to negotiate and work with local businesses, then you may be an ideal Marketplace Franchisee.

To take the next step to success in your business, please telephone 01823 664700 for a Prospectus. Marketplace Publications Limited, 14 Coombe Park, Four Oaks, West Midlands B74 2QB

John J Barne

Corporate Financial Services
"Venture Capital"
"Asset Backed Lending"
"Mergers & Acquisitions"
"Private Equity"
"I.C. & Boyle Securities"
Tel: (212) 662-0900
Fax: (212) 345-1000
Barney & Associates, Wellesley
51 Fifth Avenue 18th Floor
New York, NY 10017

Refundable Reseller Scheme Required

URGENTLY REQUIRED SHOW KITCHENS GRUN SWIFT urgently require show kitchens in order to establish a network of show houses throughout the U.K. We will build you a tailor-made kitchen at a fraction of the normal price, if you will allow us to introduce up to 6 prospective customers. For full details phone 01908 503222 Ext 75

GRUN SWIFT,
UNIT 8, BACON HOUSE IND. EST.
LITTLE HOWOOD,
MILTON KEYNES MK17 0PT

WORK FROM HOME CASH FLOW OPPORTUNITY
• 4-6 hours per week
• 12 Months Figures Available
• No Selling involved
• Small Capital Outlay
• Using Your Home PC
• Full Training & Backup
FOR FREE INFORMATION PACK
PHONE ANN
FREECALL 0500 140141
Conrad Ltd
3rd Floor, 55 St James's Street
London SE1
Leading the way in Computer
Technology

CAFE USA
Only 10p/Min
20p to Australia
STOP BEING OVERCHARGED
INDIA 65p/min
SINGAPORE 59p/min
PHILIPPINES 59p/min
Singapore 59p/min
Australia 59p/min
INSTANT CONNECTION
01734 569123
Fax 01734 569100
CYBTEL COMMUNICATIONS
Please have your credit card ready
For further information call 01734 569100

MANUFACTURERS
If you are seeking
assistance to establish
AGENTS &
DISTRIBUTORS
IN EUROPE
please contact
Tel: 0181 560 4205
Fax: 0181 560 1104

NOTICE TO READERS
Whilst we take reasonable
precautions with all
advertisements, readers are
strongly advised to take
professional advice before
paying a deposit or entering
into any financial commitment.

SCIENCE

Chainsaw massacre? Not in Wisconsin

A tribe of Indians has shown logging can be profitable without inflicting losses on the natural environment. Caspar Henderson reports

Just across the Great Smoky Falls, on the Wolf River in northern Wisconsin, lie 250,000 acres of lush and exceptionally beautiful forest consisting of oak, beech, maple, white pine, hemlock and 20 other species. Although this, the Menominee Indian reservation, may sound exotic, anyone who has gone to the Homebase DIY store in Britain may have bought wood from the banks of the Wolf River (although UK distribution is now handled by Milland Fine Timber in Liphook, Hampshire).

For this forest is a garden rather than a wilderness. The Menominee market timber from their forest around the world. And they do it sustainably. Foresters come from as far as Brazil, Sweden and Malaysia to see the first, and probably the only, commercial timberland in the United States to be certified as a sustainably managed forest.

Menominee is an island of the old boreal (great northern) forest in a sea of rolling farmland - Wisconsin is known as America's Dairyland. The edges of the forest are so sharply defined that satellites use them to focus their lenses.

Most of the forest has been logged twice over since the 1860s. Yet it now boasts more high-quality, mature growing timber than when logging began. "It's probably the most successful example of a sustainable resource there is," says Robert Kennedy Junior, an environmental lawyer and son of the presidential candidate who was assassinated.

Two elements have been central to Menominee success: a tribal ethic that emphasises community, continuity and respect for nature, and some of the most advanced scientific forestry practices in the world. "The tribe is part of the forest ecosystem and its survival depends on managing and protecting that ecosystem," says Marshall Pecore, head of forestry operations for Menominee Tribal Enterprises, a corporation jointly owned by the 4,000 or so Menominee.

But this simple ideal requires great skill and patience to make it into reality. Pecore and his team conduct a continuous forest inventory on more than 800 plots distributed throughout the forest in order to assess the long-

term effects of growth, disease and cutting on timber volume and quality. Timber harvesting is conducted at a rate no faster than it grows. But this is only part of the story. Modern forestry consists of plantations containing trees of a single species and uniform age. While these can be highly productive in the short term, they support few other plants and animals and are highly susceptible to disease. The Menominee prefer to encourage species that thrive best on certain soils, working with nature rather than imposing a pattern upon it.

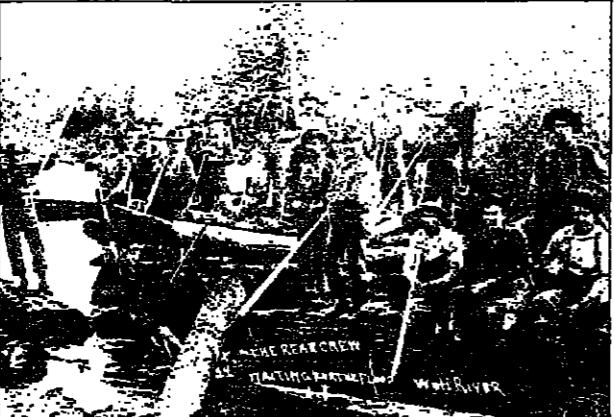


'The Menominee's survival depends on managing the forest ecosystem'
- Marshall Pecore, forest manager

As a result there is great diversity in tree species and ages across the reservation. And yet the Menominee reservation yields twice the volume of quality sawn logs as the Nicolet National Forest, an area twice the size, which was clear cut at the end of the last century.

"The Menominee are 50 years ahead of everyone else," says Bob Simeone, a forester with the Wisconsin Department of Natural Resources. "When we're planting, they're thinning. When we're thinning, they're worried about regeneration. In forestry practice no one holds a candle to these people."

By the 1850s, European set-



The tribe first won the right to exploit timber in the 1890s

In most forestry practice, timber stands are usually harvested and regenerated to maintain existing species composition. But this approach does not account for inappropriate cutting, fire, windthrow or grazing in the past, which can mean that land that is potentially highly productive appears not to be so.

Pecore and his team use habitat classification and geographic information systems to enhance productivity further. The mix on a given site varies according to soil moisture and nutrient levels, and because different tre-

sters and their diseases had

almost exterminated the "wild rice people" - for that is what the name "Menominee" means - leaving the survivors with less than 3 per cent of their original territory.

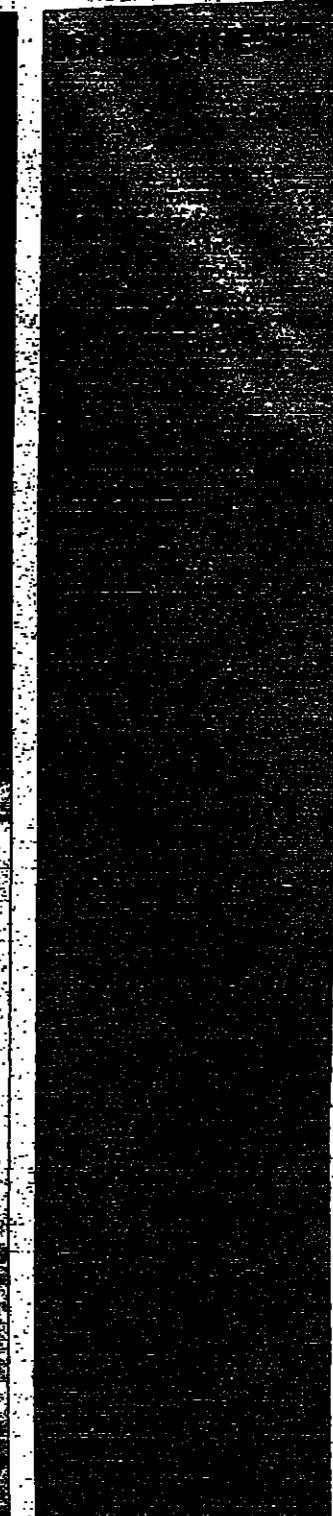
Hunger for land to farm and timber to build America's cities meant it took just a few decades to clear the great Wisconsin forests, and virtually the whole state had been cleared by the turn of the century. This left the Menominee on an island on some of the richest timber east of the Mississippi. As early as 1854, Chief Oshkosh had counselled his people to generate wealth from the woods without destroying them. But it took nearly 40 years for the tribe to win the right to exploit the timber themselves, and even longer to get permission to have their own sawmill.

In 1890, landmark legislation granted them an "annual allowable cut" of 20 million board feet of timber a year. Soon after, the Menominee were allowed to build their own sawmill. They proved to be master foresters, and a trust fund for timber revenue made the tribe among the richest in the US.

But the relative affluence of the tribe was nearly its undoing. In 1960, a majority voted for termination, ending the tribe's protected status and enabling the division of the fund and the creation of private lots out of reservation land. The forest and the mill were placed in a private corporation. A cowboy era of asset-stripping followed. "This," says Pecore, "was burning your house down to stay warm."

In 1973, after a long and sometimes bitter campaign, the Menominee voted to become the first Native American nation ever to reverse termination, bringing all land back into common ownership. Menominee Tribal Enterprises had to buy back part of the tribe's own land and still pay off the debts. The tribe learnt at least one lesson about exploitation, and a Menominee casino now profits greatly from the folly of tourists.

But running the forest for profit has not been easy. Timber prices are set by economic trends that are virtually blind to good management, although good management costs



A Menominee logger cuts a tree into lengths

Photographs: Scott Landis

money. And the Menominee, who will sell only whatever species and volumes their forest can sustainably yield, are relatively inflexible in the face of changing demands. Until three years ago, the mill was running at a loss. But uniquely, Menominee timber has been endorsed by both Smartwood and Greencross, America's leading certifiers of sustainably produced timber. This has helped to boost sales in recent years to an increasing number

of discriminating customers. Next month, the Menominee will receive a global endorsement from the Forestry Stewardship Council, founded by WWF together with some of the leading timber retailers who pledge to take all their timber from sustainable sources by the year 2000.

The operation has shown profits for the past three years, says Larry Wakau, president of Menominee Tribal Enterprises. Last year, the profit was \$2.4m

on turnover of \$12m. The timber harvest remains 20 million board feet as it has been virtually every year for more than 100 years.

"We are publicly owned, by the tribe which is sovereign," says Wakau. "Now, if we were a greedy corporation that would be another matter. But we are fully aware of market demands.

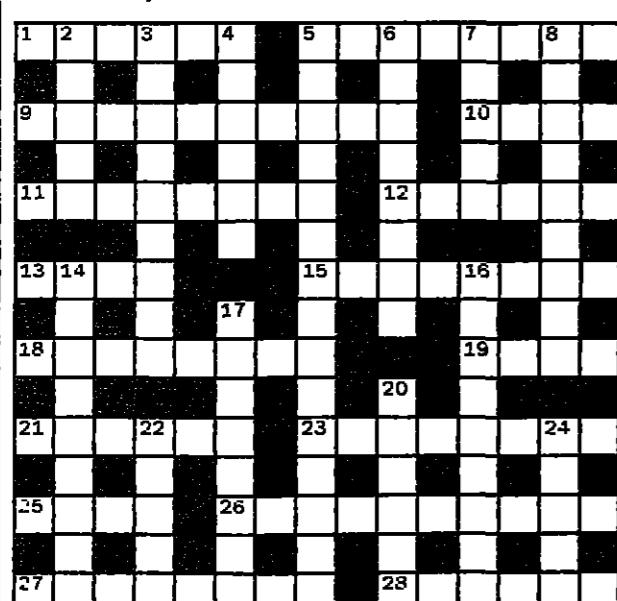
But a higher rate of return is just too short-sighted. You only have to look at the forest to know what we're doing is right."

THE INDEPENDENT CROSSWORD

in association with



No. 2925, Monday 4 March



26 So hope it's a kind of perfect example (10)
27 Batting couldn't be worse, finally (2,3,3)
28 Take stock of weight and get in control (6)

DOWN

2 Fear time away is a mistake (5)
3 Oppose points put before meeting (9)
4 Very hot in the motor riding along (6)
5 Christian's state of deep depression? (6,2,7)
6 Remaining soldiers bearing one, double back (8)
7 Many challenge set up in Wales (5)
8 Length of thread required to hold French article (9)
14 Complain afresh about English officer (9)
16 Wildly excited composer going round South American city (9)
17 Entertainment clause I'm negotiating (8)
20 Told of rent raise (6)
22 A great deal occupied by new artist (5)
24 Tempestuous spirit? (5)

ACROSS

1 Failing to go over (6)
5 It's right repairing accidental damage to grafting (8)
9 Uncertain of value Arab received (10)
10 Sounds like fly is blood-sucker (4)
11 Plaster's good and sound when exposed inside (8)
12 Benefit by taking ergymen in - it's easy (6)

13 Quarrel blows over (4)
15 Switches from time to time (2,3,3)
18 Global in every respect? (3,5)
19 Lie about money being reduced (4)
21 Sea-food racket ended by Greek character (6)
23 Old pair's out of the way (4,4)
25 Sign covering note placed inside (4)

By Portia
© Charles Wells Ltd 1996. Charles Wells Ltd and Portia Ltd are registered trade marks of National Crossword Publishing Ltd. All rights reserved.
No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means without the prior written permission of the publishers.

Win a Weekend Break or a case of Bombardier Premium Bitter

CALL 0891 311 017

When you have the answers to the first three clues across AND the first three clues down phone 0891 311 017 and leave your answers with your name, address and daytime telephone number by midnight tonight. Each day there is a case of Charles Wells Bombardier Premium Bitter to win. PLUS from all entries for the week a winner will be selected for a Weekend for two in a Charles Wells Country Hotel. Calls cost 30p per minute cheap rate, 49p per minute all other times. Winners will be selected at random from all correct entries received. No cash alternative. Normal Newspaper Publishing rules apply. Editor's decision is final. Winners' names can be obtained by sending an SAE to - Charles Wells Crossword, Unit A, Bowe House, St Peters Road, Maidenhead SL6 7OU

Published by Newspaper Publishing PLC, 1 Canada Square, Canary Wharf, London E14 5DL
and printed at Minuteman Print, St Albans Road, Watford and Hollywood Avenue, Oldham
Mondays 1 March 1996
Registered as a newspaper with the Post Office

مكتبة الأهل

**I need to
COMMUNICATE.
I need NEC.**

No two days are the same. No second hard disk drive to produce over two jobs are the same. So you need a 2.0GB of storage. Or for the floppy disk notebook computer that will adapt to your requirements instantly.

Versa 4000 is a range of highly specified notebook computers with a unique modular construction. It has a slot we call VersaBay II which usually houses a built-in CD-ROM drive that can easily be swapped for a second battery to give a combined 10 hours of battery life. Or for a second hard disk drive to produce over two days are the same. So you need a 2.0GB of storage. Or for the floppy disk notebook computer that will adapt to your requirements instantly.

In addition, the remarkable Versa Docking Station converts Versa 4000 into a powerful desktop in an instant.

Who wants yesterday's notebook when you can treat yourself to a new one every day? Versa 4000. A notebook designed to be as flexible as you. For more information phone 0345 300 103.

intel inside
pentium

**If I want
I can
have a new
Versa
every day**

NEC